



0000097360

APPLICATION

E-04204A-09-0206

PART 2 OF 2

BAR CODE # 0000097360

To review Part 1 please see:

BAR CODE #0000095889

Direct Testimony of Dr. Ronald E. White

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KRISTIN K. MAYES - CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-09-____
 UNS ELECTRIC, INC. FOR THE)
 ESTABLISHMENT OF JUST AND)
 REASONABLE RATES AND CHARGES)
 DESIGNED TO REALIZE A REASONABLE)
 RATE OF RETURN ON THE FAIR VALUE OF)
 THE PROPERTIES OF UNS ELECTRIC, INC.)
 DEVOTED TO ITS OPERATIONS)
 THROUGHOUT THE STATE OF ARIZONA.)

April 30, 2009

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REW-1: PROFESSIONAL QUALIFICATIONS

REW-2: 2009 TECHNICAL UPDATE

**BEFORE THE
ARIZONA CORPORATION COMMISSION
PREPARED DIRECT TESTIMONY OF
DR. RONALD E. WHITE
IN DOCKET NO. E-__**

1 **Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is Ronald E. White. My business address is 17595 S. Tamiami Trail, Suite
3 212, Fort Myers, Florida 33908.

4 **Q. WHAT IS YOUR OCCUPATION?**

5 A. I am Chairman and a Senior Consultant of Foster Associates, Inc.

I. QUALIFICATIONS

6
7 **Q. WOULD YOU BRIEFLY DESCRIBE YOUR EDUCATIONAL TRAINING**
8 **AND PROFESSIONAL BACKGROUND?**

9 A. I received a B.S. degree in Engineering Operations and an M.S. degree and Ph.D.
10 (1977) in Engineering Valuation from Iowa State University. I have taught graduate
11 and undergraduate courses in industrial engineering, engineering economics, and en-
12 gineering valuation at Iowa State University and previously served on the faculty for
13 Depreciation Programs for public utility commissions, companies, and consultants,
14 sponsored by Depreciation Programs, Inc., in cooperation with Western Michigan
15 University. I also conduct courses in depreciation and public utility economics for cli-
16 ents of the firm.

17 I have prepared and presented a number of papers to professional organizations,
18 committees, and conferences and have published several articles on matters relating
19 to depreciation, valuation and economics. I am a past member of the Board of Direc-
20 tors of the Iowa State Regulatory Conference and an affiliate member of the joint
21 American Gas Association (A.G.A.) - Edison Electric Institute (EEI) Depreciation
22 Accounting Committee, where I previously served as chairman of a standing com-
23 mittee on capital recovery and its effect on corporate economics. I am also a member
24 of the American Economic Association, the Financial Management Association, the

1 Midwest Finance Association, the Electric Cooperatives Accounting Association
2 (ECAA), and a founding member of the Society of Depreciation Professionals.

3 **Q. WHAT IS YOUR PROFESSIONAL EXPERIENCE?**

4 A. I joined the firm of Foster Associates in 1979, as a specialist in depreciation, the eco-
5 nomics of capital investment decisions, and cost of capital studies for ratemaking ap-
6 plications. Prior to joining Foster Associates, I was employed by Northern States
7 Power Company (1968-1979) in various assignments related to finance and treasury
8 activities. As Manager of the Corporate Economics Department, I was responsible for
9 book depreciation studies, studies involving staff assistance from the Corporate Eco-
10 nomics Department in evaluating the economics of capital investment decisions, and
11 the development and execution of innovative forms of project financing. As Assistant
12 Treasurer at Northern States, I was responsible for bank relations, cash requirements
13 planning, and short-term borrowings and investments.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE A REGULATORY BODY?**

15 A. Yes. I have testified in numerous proceedings before administrative and judicial bod-
16 ies in over thirty jurisdictions, including several appearances before the Arizona Cor-
17 poration Commission. I have also testified before the Federal Energy Regulatory
18 Commission, the Federal Power Commission, the Alberta Energy Board, the Ontario
19 Energy Board, and the Securities and Exchange Commission. I have sponsored posi-
20 tion statements before the Federal Communication Commission and numerous local
21 franchising authorities in matters relating to the regulation of telephone and cable
22 television. A more detailed description of my professional qualifications is provided
23 in Attachment REW-1.

24 **II. PURPOSE OF TESTIMONY**

25 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

26 A. Foster Associates was engaged by UNS Electric, Inc. (UNS Electric), an operating
27 subsidiary of UniSource Energy Services, to conduct 2009 technical updates of depre-
28 ciation rates for the Company.

1 At the request of UNS Electric, two updates were prepared. The first update ex-
2 cludes Black Mountain Generation Station. The station is a simple cycle 90 mega-
3 watt combustion turbine generation plant constructed by UniSource Energy
4 Development Company. The plant, located in Kingman, Arizona, commenced com-
5 mercial operation May 1, 2008. The second update includes Black Mountain using an
6 estimated year of final retirement provided by Tucson Electric Power engineers. The
7 purpose of my testimony is to sponsor and describe the studies conducted by Foster
8 Associates. Depreciation rates currently used by UNS Electric were approved by the
9 Arizona Corporation Commission (ACC) in Docket No. E-04204A-06-0783 (Deci-
10 sion No. 70360, dated May 27, 2008).

11 **III. DEVELOPMENT OF DEPRECIATION RATES**

12 **Q. WHY ARE DEPRECIATION STUDIES NEEDED FOR ACCOUNTING AND** 13 **RATEMAKING PURPOSES?**

- 14 A. The goal of depreciation accounting is to charge to operations a reasonable estimate
15 of the cost of the service potential of an asset (or group of assets) consumed during an
16 accounting interval. A number of depreciation systems have been developed to
17 achieve this objective, most of which employ time as the apportionment base.

18 Implementation of a time-based (or age-life) system of depreciation accounting
19 requires the estimation of several parameters or statistics related to a plant account.
20 The average service life of a vintage, for example, is a statistic that will not be known
21 with certainty until all units from the original placement have been retired from ser-
22 vice. A vintage average service life, therefore, must be estimated initially and peri-
23 odically revised as indications of the eventual average service life become more
24 certain. Future net salvage rates and projection curves, which describe the expected
25 distribution of retirements over time, are also estimated parameters of a depreciation
26 system that are subject to future revisions. Depreciation studies should be conducted
27 periodically to assess the continuing reasonableness of parameters and accrual rates
28 derived from prior estimates.

1 The need for periodic depreciation studies is also a derivative of the ratemaking
2 process that establishes prices for utility services based on costs. Absent regulation,
3 deficient or excessive depreciation rates will produce no adverse consequence other
4 than a systematic over or understatement of the accounting measurement of earnings.
5 While a continuance of such practices may not comport with the goals of deprecia-
6 tion accounting, the achievement of capital recovery is not dependent upon either the
7 amount or the timing of depreciation expense for an unregulated firm. In the case of a
8 regulated utility, however, recovery of investor-supplied capital is dependent upon
9 allowed revenues, which are in turn dependent upon approved levels of depreciation
10 expense. Periodic reviews of depreciation rates are, therefore, essential to the
11 achievement of timely capital recovery for a regulated utility.

12 **Q. WHAT ARE THE PRINCIPAL ACTIVITIES UNDERTAKEN IN CONDUCT-**
13 **ING A FULL DEPRECIATION STUDY?**

- 14 A. The first step in conducting a depreciation study is the collection of plant accounting
15 data needed to conduct a statistical analysis of past retirement experience. Data are
16 also collected to permit an analysis of the relationship between retirements and real-
17 ized gross salvage and removal expense. The data collection phase should include a
18 verification of the accuracy of the plant accounting records and a reconciliation of the
19 assembled data to the official plant records of the company.

20 The next step in a depreciation study is the estimation of service life statistics
21 from an analysis of past retirement experience. The term *life analysis* is used to de-
22 scribe the activities undertaken in this step to obtain a mathematical description of
23 the forces of retirement acting upon a plant category. The mathematical expressions
24 used to describe these forces are known as survival functions or survivor curves.

25 Life indications obtained from an analysis of past retirement experience are
26 blended with expectations about the future to obtain an appropriate projection life
27 curve. This step, called *life estimation*, is concerned with predicting the expected re-
28 maining life of property units still exposed to the forces of retirement. The amount of

1 weight given to the analysis of historical data will depend upon the extent to which
2 past retirement experience is considered descriptive of the future.

3 An estimate of the net salvage rate applicable to future retirements is usually
4 obtained from an analysis of the gross salvage and removal expense realized in the
5 past. An analysis of past experience (including an examination of trends over time)
6 provides a baseline for estimating future salvage and cost of removal. Consideration,
7 however, should be given to events that may cause deviations from the net salvage
8 realized in the past. Among the factors that should be considered are the age of plant
9 retirements, the portion of retirements that will be reused, changes in the method of
10 removing plant, the type of plant to be retired in the future, inflation expectations, the
11 shape of the projection life curve, and economic conditions that may warrant greater
12 or lesser weight to be given to the net salvage observed in the past.

13 A comprehensive depreciation study will also include an analysis of the ade-
14 quacy of the recorded depreciation reserve. The purpose of such an analysis is to
15 compare the current balance in the recorded reserve with the balance required to
16 achieve the goals and objectives of depreciation accounting if the amount and timing
17 of future retirements and net salvage are realized exactly as predicted. The difference
18 between the required (or theoretical) reserve and the recorded reserve provides a
19 measurement of the expected excess or shortfall that will remain in the depreciation
20 reserve if corrective action is not taken to extinguish the reserve imbalance.

21 Although reserve records are typically maintained by various account classifica-
22 tions, the total reserve for a company is the most important reflection of the com-
23 pany's depreciation practices. Differences between the theoretical reserve and the
24 recorded reserve will arise as a normal occurrence when service lives, dispersion pat-
25 terns and salvage estimates are adjusted in the course of depreciation reviews. Differ-
26 ences will also arise due to plant accounting activity such as transfers and
27 adjustments, which require an identification of reserves at a different level from that
28 maintained in the accounting system. It is appropriate, therefore, and consistent with
29 group depreciation theory, to periodically redistribute recorded reserves among pri-

1 mary accounts based on the most recent estimates of retirement dispersion and sal-
2 vage. A redistribution of the recorded reserve will provide an initial reserve balance
3 for each primary account consistent with the estimates of retirement dispersion se-
4 lected to describe mortality characteristics of the accounts and establish a baseline
5 against which future comparisons can be made.

6 Finally, parameters estimated from service life and net salvage studies are inte-
7 grated into an appropriate formulation of an accrual rate based upon a selected depre-
8 ciation system. Three elements are needed to describe a depreciation system. These
9 elements (*i.e.*, method, procedure and technique) can be visualized as three dimen-
10 sions of a cube in which each face describes a variety of sub-elements that can be
11 combined to form a system. A depreciation system is therefore formed by selecting a
12 sub-element from each face such that the system contains one method, one procedure
13 and one technique. The sub-elements most widely used in constructing a deprecia-
14 tion system are shown in Table 1.

Methods	Procedures	Techniques
Retirement	Total Company	Whole-Life
Compound-Interest	Broad Group	Remaining-Life
Sinking-Fund	Vintage Group	Probable-Life
Straight-Line	Equal-Life Group	
Declining Balance	Unit Summation	
Sum-of-Years'-Digits	Item	
Expensing		
Unit-of-Production		
Net Revenue		

Table 1. Elements of a Depreciation System

15 IV. 2009 TECHNICAL UPDATES

16 Q. WOULD YOU PLEASE DESCRIBE THE SCOPE OF A TECHNICAL UP- 17 DATE?

18 A. Unlike a full depreciation study in which projection curves, projection lives and future
19 net salvage rates are estimated from a statistical analysis of recorded retirements and
20 net salvage realized in the past, a technical update generally retains the parameters
21 currently used or proposed by the utility and adjusts depreciation rates for known and

1 measurable changes in the age distributions of surviving plant, depreciation reserves,
2 and average net salvage rates due to the passage of time. A technical update, there-
3 fore, is intended to align depreciation rates with the accounting year the rates will be-
4 come effective. The steps involved in preparing a technical update generally include
5 a) data collection; b) calculation of service life statistics; c) computation of average
6 net salvage rates; d) rebalancing of depreciation reserves; and e) development of ac-
7 crual rates.

8 **Q. DID UNS ELECTRIC PROVIDE FOSTER ASSOCIATES PLANT AC-**
9 **COUNTING DATA FOR CONDUCTING THE 2009 TECHNICAL UPDATES?**

10 A. Yes, they did. Plant accounting and depreciation reserve transactions recorded over
11 the period 2006–2008 and age distributions of surviving plant at December 31, 2008
12 were provided to Foster Associates in an electronic format and appended to the data-
13 base used in conducting the 2006 Review. Depreciation rates currently used by UNS
14 Electric were developed using a broad-group procedure. The realized life of surviving
15 vintages derived from the dollar-years of service provided by each vintage is not rele-
16 vant to an update of broad-group depreciation rates. Therefore, plant transactions re-
17 corded in prior activity years were only used to derive age distribution at December
18 31, 2008. The accuracy and completeness of the assembled database was verified by
19 comparisons to FERC Form 1 for activity years 2006–2008. Prior activity years were
20 reconciled in the 2006 Review. Derived age distributions were reconciled to the con-
21 tinuing property records at December 31, 2008.

22 **Q. DID FOSTER ASSOCIATES CALCULATE SERVICE LIFE STATISTICS IN**
23 **THE 2009 TECHNICAL UPDATES?**

24 A. Yes, we did. The scope of the updates and calculations performed by Foster Associ-
25 ates are described in the Study Procedures section of Attachment REW-2.

26 **Q. DID FOSTER ASSOCIATES DERIVE AVERAGE NET SALVAGE RATES IN**
27 **THE 2009 UPDATES?**

1 A. Yes, we did. The average net salvage rate for an account or plant function is derived
2 from a direct dollar weighting of a) historical retirements with historical (or realized)
3 net salvage rates and b) future retirements (*i.e.*, surviving plant) with the estimated fu-
4 ture net salvage rate. Average net salvage rates will change, therefore, as additional
5 years of retirement and net salvage activity become available and as subsequent plant
6 additions alter the weighting of future net salvage estimates.

7 **Q. DID FOSTER ASSOCIATES REBALANCE DEPRECIATION RESERVES IN**
8 **THE 2009 UPDATES?**

9 A. Yes, we did. A rebalancing of recorded reserves is consistent with the objectives of a
10 technical update and is considered appropriate for UNS Electric. The rebalancing of
11 reserves undertaken in the 2009 update will help to stabilize depreciation rates and
12 preserve consistency between measured reserve imbalances and the parameters used
13 in the formulation of updated remaining-life accrual rates.

14 A redistribution of the recorded reserve was achieved for UNS Electric by mul-
15 tiplying the calculated reserve for each primary account within a function (or plant
16 location) by the ratio of the function (or location) total recorded reserve to the func-
17 tion (or location) total calculated reserve. The sum of the redistributed reserves
18 within a function (or location) is, therefore, equal to the function (or location) total
19 recorded depreciation reserve before the redistribution.

20 **Q. HOW DO THE DEPRECIATION RATES AND ACCRUALS DERIVED IN**
21 **THE UPDATES COMPARE WITH CURRENTLY APPROVED RATES AND**
22 **ACCRUALS?**

23 A. Table 2 provides a summary of the changes in annual rates and accruals resulting
24 from the 2009 Technical Update excluding the Black Mountain Generation Station.
25 Rates proposed for each primary account (with the exception of amortization ac-
26 counts) have been developed including an allowance for net salvage.

Function	Accrual Rate			2009 Annualized Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Intangible Plant	5.25%	5.11%	-0.14%	\$403,155	\$392,316	(\$10,839)
Other Production	2.44%	2.43%	-0.01%	642,594	642,285	(309)
Transmission	3.52%	3.36%	-0.16%	1,959,277	1,866,367	(92,910)
Distribution	4.17%	3.97%	-0.20%	13,845,594	13,174,058	(671,536)
General Plant	8.73%	8.01%	-0.72%	1,980,388	1,817,624	(162,764)
Total Utility	4.24%	4.03%	-0.21%	\$18,831,008	\$17,892,650	(\$938,358)

Table 2. Current and Proposed Rates and Accruals Excluding Black Mountain

Adjustments developed in the technical update produce a composite depreciation rate of 4.03 percent. Depreciation expense is currently accrued at an equivalent rate of 4.24 percent. The change in the composite depreciation rate is a reduction of 0.21 percentage points.

A continued application of rates derived from currently approved parameters would produce annual depreciation expense of \$18,831,008 compared with an annual expense of \$17,892,650 using the rates developed in the update. The expense reduction of \$938,358 is generally attributable to a change in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant.

Table 3 provides a summary of the changes in annual rates and accruals resulting from the 2009 Update including the Black Mountain Generation Station.

Function	Accrual Rate			2009 Annualized Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Intangible Plant	5.25%	5.11%	-0.14%	\$403,155	\$392,316	(\$10,839)
Other Production	2.55%	2.56%	0.01%	2,257,314	2,268,100	10,786
Transmission	3.52%	3.36%	-0.16%	1,959,278	1,866,366	(92,912)
Distribution	4.17%	3.97%	-0.20%	13,845,595	13,174,058	(671,537)
General Plant	8.73%	8.01%	-0.72%	1,980,388	1,817,622	(162,766)
Total Utility	4.04%	3.85%	-0.19%	\$20,445,730	\$19,518,462	(\$927,268)

Table 3. Current and Proposed Rates and Accruals Including Black Mountain

Adjustments developed in the update produce a composite depreciation rate of 3.85 percent. Depreciation expense is currently accrued at an equivalent rate of 4.04 percent. The change in the composite depreciation rate is a reduction of 0.19 percentage points.

1 A continued application of rates derived from current parameters would pro-
2 duce annual depreciation expense of \$20,445,730 compared with an annual expense
3 of \$19,518,462 using the rates developed in the update. The expense reduction of
4 \$927,268 is generally attributable to a change in the mix of plant investments among
5 primary accounts and changes in the age distributions of surviving plant.

6 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

7 A. Yes, it does.
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EXHIBIT

REW-1

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Ronald E. White, Ph.D.

Education	<p>1961 - 1964 Valparaiso University Major: Electrical Engineering</p> <p>1965 Iowa State University B.S., Engineering Operations</p> <p>1968 Iowa State University M.S., Engineering Valuation Thesis: The Multivariate Normal Distribution and the Simulated Plant Record Method of Life Analysis</p> <p>1977 Iowa State University Ph.D., Engineering Valuation Minor: Economics Dissertation: A Comparative Analysis of Various Estimates of the Hazard Rate Associated With the Service Life of Industrial Property</p>
Employment	<p>2007 - Present Foster Associates, Inc. Chairman</p> <p>1996 - 2007 Foster Associates, Inc. Executive Vice President</p> <p>1988 - 1996 Foster Associates, Inc. Senior Vice President</p> <p>1979 - 1988 Foster Associates, Inc. Vice President</p> <p>1978 - 1979 Northern States Power Company Assistant Treasurer</p> <p>1974 - 1978 Northern States Power Company Manager, Corporate Economics</p> <p>1972 - 1974 Northern States Power Company Corporate Economist</p> <p>1970 - 1972 Iowa State University Graduate Student and Instructor</p> <p>1968 - 1970 Northern States Power Company Valuation Engineer</p> <p>1965 - 1968 Iowa State University Graduate Student and Teaching Assistant</p>
Publications	<p><i>A New Set of Generalized Survivor Tables</i>, Journal of the Society of Depreciation Professionals, October, 1992.</p> <p><i>The Theory and Practice of Depreciation Accounting Under Public Utility Regulation</i>, Journal of the Society of Depreciation Professionals, December, 1989.</p> <p><i>Standards for Depreciation Accounting Under Regulated Competition</i>, paper presented at The Institute for Study of Regulation, Rate Symposium, February, 1985.</p>

The Economics of Price-Level Depreciation, paper presented at the Iowa State University Regulatory Conference, May, 1981.

Depreciation and the Discount Rate for Capital Investment Decisions, paper presented at the National Communications Forum - National Electronics Conference, October 1979.

A Computerized Method for Generating a Life Table From the 'h-System' of Survival Functions, paper presented at the American Gas Association - Edison Electric Institute Depreciation Accounting Committee Meeting, December, 1975.

The Problem With AFDC is ..., paper presented at the Iowa State University Conference on Public Utility Valuation and the Rate Making Process, May, 1973.

The Simulated Plant-Record Method of Life Analysis, paper presented at the Missouri Public Service Commission Regulatory Information Systems Conference, May, 1971.

Simulated Plant-Record Survivor Analysis Program (User's Manual), special report published by Engineering Research Institute, Iowa State University, February, 1971.

A Test Procedure for the Simulated Plant-Record Method of Life Analysis, Journal of the American Statistical Association, September, 1970.

Modeling the Behavior of Property Records, paper presented at the Iowa State University Conference on Public Utility Valuation and the Rate Making Process, May, 1970.

A Technique for Simulating the Retirement Experience of Limited-Life Industrial Property, paper presented at the National Conference of Electric and Gas Utility Accountants, May, 1969.

How Dependable are Simulated Plant-Record Estimates?, paper presented at the Iowa State University Conference on Public Utility Valuation and the Rate Making Process, April, 1968.

**Testifying
Witness**

Alabama Public Service Commission, Docket No. 18488, General Telephone Company of the Southeast; testimony concerning engineering economy study techniques.

Alabama Public Service Commission, Docket No. 20208, General Telephone Company of the South; testimony concerning the equal-life group procedure and remaining-life technique.

Alberta Energy and Utilities Board, Application No. 1250392, Aquila Networks Canada; rebuttal testimony supporting proposed depreciation rates.

Alberta Energy and Utilities Board, Case No. RE95081, Edmonton Power Inc.; rebuttal evidence concerning appropriate depreciation rates.

Alberta Energy and Utilities Board, 1999/2000 General Tariff Application, Edmonton Power Inc.; direct and rebuttal evidence concerning appropriate depreciation rates.

Arizona Corporation Commission, Docket No. T-01051B-97-0689, U S West Communications, Inc.; testimony concerning appropriate depreciation rates.

Arizona Corporation Commission, Docket No. G-1032A-02-0598, Citizens Communications Company; testimony supporting proposed depreciation rates.

Arizona Corporation Commission, Docket No. E-01345A-08-0172, Arizona Public Service Company; testimony supporting proposed depreciation rates.

Arizona Corporation Commission, Docket No. E-0135A-03-0437, Arizona Public

Service Company; rebuttal testimony supporting net salvage rates.

Arizona Corporation Commission, Docket No. E-01345A-05-0816, Arizona Public Service Company; testimony supporting proposed depreciation rates.

Arizona Corporation Commission, Docket No. G-04204A-06-0463, UNS Gas, Inc.; testimony supporting proposed depreciation rates.

Arizona Corporation Commission, Docket No. E-04204A-06-0783, UNS Electric, Inc.; testimony supporting proposed depreciation rates.

Arizona State Board of Equalization, Docket No. 6302-07-2, Arizona Public Service Company; testimony concerning valuation and assessment of contributions in aid of construction.

California Public Utilities Commission, Case Nos. A.92-06-040, 92-06-042, GTE California Incorporated; rebuttal testimony supporting depreciation study techniques.

California Public Utilities Commission. Docket No. GRC A.05-12-002, Pacific Gas and Electric Company; testimony regarding estimation of net salvage rates.

California Public Utilities Commission. Docket No. GRC A.06-12-009/A.06-12-010, San Diego Gas & Electric Company and Southern California Gas Company; testimony regarding estimation of net salvage rates.

Public Utilities Commission of the State of Colorado, Application No. 36883-Reopened. U S WEST Communications; testimony concerning equal-life group procedure.

State of Connecticut Department of Public Utility Control, Docket No. 05-03-17, The Southern Connecticut Gas Company; testimony supporting recommended depreciation rates.

State of Connecticut Department of Public Utility Control, Docket No. 06-12PH01, Yankee Gas Services Company; testimony supporting recommended depreciation rates.

Delaware Public Service Commission, Docket No. 81-8, Diamond State Telephone Company; testimony concerning the amortization of inside wiring.

Delaware Public Service Commission, Docket No. 82-32, Diamond State Telephone Company; testimony concerning the equal-life group procedure and remaining-life technique.

Public Service Commission of the District of Columbia, Formal Case No. 842, District of Columbia Natural Gas; testimony concerning depreciation rates.

Public Service Commission of the District of Columbia, Formal Case No. 1016, Washington Gas Light Company - District of Columbia; testimony supporting proposed depreciation rates.

Public Service Commission of the District of Columbia, Formal Case No. 1054, Washington Gas Light Company - District of Columbia; testimony supporting proposed depreciation rates.

Federal Communications Commission, Prescription of Revised Depreciation Rates for AT&T Communications; statement concerning depreciation, regulation and competition.

Federal Communications Commission, Petition for Modification of FCC Depreciation Prescription Practices for AT&T; statement concerning alignment of depreciation expense used for financial reporting and regulatory purposes.

Federal Communications Commission, Docket No. 99-117, Bell Atlantic; affidavit concerning revenue requirement and capital recovery implications of omitted plant

retirements.

Federal Energy Regulatory Commission, Docket No. ER95-267-000, New England Power Company; testimony supporting proposed depreciation rates.

Federal Energy Regulatory Commission, Docket No. RP89-248, Mississippi River Transmission Corporation; rebuttal testimony concerning appropriateness of net salvage component in depreciation rates.

Federal Energy Regulatory Commission, Docket No. ER91-565, New England Power Company; testimony supporting proposed depreciation rates.

Federal Energy Regulatory Commission, Docket No. ER78-291, Northern States Power Company; testimony concerning rate of return and general financial requirements.

Federal Energy Regulatory Commission, Docket Nos. RP80-97 and RP81-54, Tennessee Gas Pipeline Company; testimony concerning offshore plant depreciation rates.

Federal Power Commission, Docket No. E-8252, Northern States Power Company; testimony concerning general financial requirements and measurements of financial performance.

Federal Power Commission, Docket No. E-9148, Northern States Power Company; testimony concerning general financial requirements and measurements of financial performance.

Federal Power Commission, Docket No. ER76-818, Northern States Power Company; testimony concerning rate of return and general financial requirements.

Federal Power Commission, Docket No. RP74-80, *Northern Natural Gas* Company; testimony concerning depreciation expense.

Public Utilities Commission of the State of Hawaii, Docket No. 00-0309, The Gas Company; testimony supporting proposed depreciation rates.

Public Utilities Commission of the State of Hawaii, Docket No. 94-0298, GTE Hawaiian Telephone Company Incorporated; testimony concerning the need for shortened service lives and disclosure of asset impairment losses.

Idaho Public Utilities Commission, Case No. U-1002-59, General Telephone Company of the Northwest, Inc.; testimony concerning the remaining-life technique and the equal-life group procedure.

Illinois Commerce Commission, Case No. 04-0476, Illinois Power Company; testimony supporting proposed depreciation rates.

Illinois Commerce Commission, Docket No. 94-0481, Citizens Utilities Company of Illinois; rebuttal testimony concerning applications of the Simulated Plant-Record method of life analysis.

Iowa State Commerce Commission, Docket No. RPU 82-47, North Central Public Service Company; testimony on depreciation rates.

Iowa State Commerce Commission, Docket No. RPU 84-34, General Telephone Company of the Midwest; testimony concerning the remaining-life technique and the equal-life group procedure.

Iowa State Utilities Board, Docket No. DPU-86-2, Northwestern Bell Telephone Company; testimony concerning capital recovery in competition.

Iowa State Utilities Board, Docket No. RPU-84-7, Northwestern Bell Telephone Company; testimony concerning the deduction of a reserve deficiency from the rate base.

Iowa State Utilities Board, Docket No. DPU-88-6, U S WEST Communications;

testimony concerning depreciation subject to refund.

Iowa State Utilities Board, Docket No. RPU-90-9, Central Telephone Company of Iowa; testimony concerning depreciation rates.

Iowa State Utilities Board, Docket No. RPU-93-9, U S WEST Communications; testimony concerning principles of depreciation accounting and abandonment of FASB 71.

Iowa State Utilities Board, Docket No. DPU-96-1, U S WEST Communications; testimony concerning principles of depreciation accounting and abandonment of FASB 71.

Iowa State Utilities Board, Docket No. RPU-05-2, Aquila Networks; testimony supporting recommended depreciation rates.

Kansas Corporation Commission, Docket No. 04-AQLE-1065-RTS, Aquila Networks - WPE (Kansas); testimony supporting proposed depreciation rates.

Kansas Corporation Commission, Docket No. 03-KGSG-602-RTS, Kansas Gas Service, a Division of ONEOK, Inc.; rebuttal testimony supporting net salvage rates.

Kansas Corporation Commission, Docket No. 06-KGSG-1209-RTS, Kansas Gas Service, a Division of ONEOK, Inc.; testimony supporting proposed depreciation rates.

Kentucky Public Service Commission, Case No. 97-224, Jackson Purchase Electric Cooperative Corporation; rebuttal testimony supporting proposed depreciation rates.

Maryland Public Service Commission, Case No. 8485, Baltimore Gas and Electric Company; testimony supporting proposed depreciation rates.

Maryland Public Service Commission, Case No. 9096, Baltimore Gas and Electric Company; testimony supporting proposed depreciation rates.

Maryland Public Service Commission, Case No. 7689, Washington Gas Light Company; testimony concerning life analysis and net salvage.

Maryland Public Service Commission, Case No. 8960, Washington Gas Light Company; testimony supporting proposed depreciation rates.

Maryland Public Service Commission, Case No. 9103, Washington Gas Light Company; rebuttal testimony supporting proposed depreciation rates.

Commonwealth of Massachusetts Department of Telecommunications and Energy, D.T.E. 06-55, Western Massachusetts Electric Company; testimony supporting proposed depreciation rates.

Massachusetts Department of Public Utilities, Case No. DPU 91-52, Massachusetts Electric Company; testimony supporting proposed depreciation rates which include a net salvage component.

Michigan Public Service Commission, Case No. U13899, Michigan Consolidated Gas Company; testimony concerning service life estimates.

Michigan Public Service Commission, Case No. U-13393, Aquila Networks - MGU; testimony supporting proposed depreciation rates.

Michigan Public Service Commission, Case No. U-12395, Michigan Gas Utilities; testimony supporting proposed depreciation rates including amortization accounting and redistribution of recorded reserves.

Michigan Public Service Commission, Case No. U-6587, General Telephone Company of Michigan; testimony concerning use of a theoretical depreciation

reserve with the remaining-life technique.

Michigan Public Service Commission, Case No. U-7134, General Telephone Company of Michigan; testimony concerning the equal-life group depreciation procedure.

Minnesota Public Service Commission, Docket No. E-611, Northern States Power Company; testimony concerning rate of return and general financial requirements.

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Public Service Commission of the State of Missouri, Case No. TO-82-3, Southwestern Bell Telephone Company; rebuttal testimony concerning the remaining-life technique and the equal-life group procedure.

Public Service Commission of the State of Missouri, Case No. GO-97-79, Laclede Gas Company; rebuttal testimony concerning adequacy of database for conducting depreciation studies.

Public Service Commission of the State of Missouri, Case No. GR-99-315, Laclede Gas Company; rebuttal testimony concerning treatment of net salvage in development of depreciation rates.

Public Service Commission of the State of Missouri, Case No. HR-2004-0024, Aquila Inc. d/b/a/ Aquila Networks-L & P; testimony supporting depreciation rates.

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Public Service Commission of the State of Missouri, Case No. HR-2009-0092, KCP&L Greater Missouri Operations Company, rebuttal testimony concerning depreciation rates.

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North Carolina Utilities Commission, Docket No. P-19, SUB 207, General Telephone Company of the South; rebuttal testimony concerning the equal-life group depreciation procedure.

North Dakota Public Service Commission, Case No. 8860, Northern States Power Company; testimony concerning general financial requirements.

North Dakota Public Service Commission, Case No. 9634, Northern States Power Company; testimony concerning rate of return and general financial requirements.

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Public Utilities Commission of Ohio, Case No. 81-383-TP-AIR, General Telephone Company of Ohio; testimony in support of the remaining-life technique.

Public Utilities Commission of Ohio, Case No. 82-886-TP-AIR, General Telephone Company of Ohio; testimony concerning the remaining-life technique and the equal-life group procedure.

Public Utilities Commission of Ohio, Case No. 84-1026-TP-AIR, General Telephone Company of Ohio; testimony in support of the equal-life group procedure and the remaining-life technique.

Public Utilities Commission of Ohio, Case No. 81-1433, The Ohio Bell Telephone Company; testimony concerning the remaining-life technique and the equal-life group procedure.

Public Utilities Commission of Ohio, Case No. 83-300-TP-AIR, The Ohio Bell Telephone Company; testimony concerning straight-line age-life depreciation.

Public Utilities Commission of Ohio, Case No. 84-1435-TP-AIR, The Ohio Bell Telephone Company; testimony in support of test period depreciation expense.

Public Utilities Commission of Oregon, Docket No. UM 204, GTE of the Northwest;

testimony concerning the theory and practice of depreciation accounting under public utility regulation.

Public Utilities Commission of Oregon, Docket No. UM 840, GTE Northwest Incorporated; rebuttal testimony concerning principles of capital recovery.

Pennsylvania Public Utility Commission, Docket No. R-80061235, The Bell Telephone Company of Pennsylvania; testimony concerning the proper depreciation reserve to be used with an original cost rate base.

Pennsylvania Public Utility Commission, Docket No. R-811512, General Telephone Company of Pennsylvania; testimony concerning the proper depreciation reserve to be used with an original cost rate base.

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Pennsylvania Public Utility Commission, Docket No. R-850229, General Telephone Company of Pennsylvania; testimony in support of the remaining-life technique and the proper depreciation reserve to be used with an original cost rate base.

Pennsylvania Public Utility Commission, Docket No. C-860923, The Bell Telephone Company of Pennsylvania; testimony concerning capital recovery under competition.

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South Carolina Public Service Commission, Docket No. 91-216-E, Duke Power Company; testimony supporting proposed depreciation rates.

Public Utilities Commission of the State of South Dakota, Case No. F-3062, Northern States Power Company; testimony concerning general financial requirements and measurements of financial performance.

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Securities and Exchange Commission, File No. 3-5749, Northern States Power Company; testimony concerning the financial and ratemaking implications of an affiliation with Lake Superior District Power Company.

Tennessee Public Service Commission, Docket No. 89-11041, United Inter-Mountain Telephone Company; testimony concerning depreciation principles and capital recovery under competition.

State of Vermont Public Service Board, Docket No. 6596, Citizens Communications Company – Vermont Electric Division; testimony supporting recommended depreciation rates.

State of Vermont Public Service Board, Docket No. 6946 and 6988, Central Vermont Public Service Corporation; testimony supporting net salvage rates.

Commonwealth of Virginia State Corporation Commission, Case No. PUE-2002-00364, Washington Gas Light Company; testimony supporting proposed depreciation rates.

Public Service Commission of Wisconsin, Docket No. 2180-DT-3, General

**Other
Consulting
Activities**

Telephone Company of Wisconsin; testimony concerning the equal-life group depreciation procedure.

Moran Towing Corporation. In Re: Barge TEXAS-97 CIV. 2272 (ADS) and Tug HEIDE MORAN - 97 CIV. 1947 (ADS), United States District Court, Southern District of New York.

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BellSouth Telecommunications, Inc. v. Citizens Utilities Company d/b/a/ Louisiana Gas Service Company, CA No. 95-2207, United States District Court, Eastern District of Louisiana.

Affidavit on behalf of Continental Cablevision, Inc. and its operating cable television systems regarding basic broadcast tier and equipment and installation cost-of-service rate justification.

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Office of Chief Counsel, Internal Revenue Service. In Re: Northern Pacific Railway Co., Docket No. 4489-69.

United States Department of Justice. In Re: Burlington Northern Inc. v. United States, Ct. Cl. No. 30-72.

Minnesota District Court. In Re: Northern States Power Company v. Ronald G. Blank, et. al. File No. 394126; testimony concerning depreciation and engineering economics.

Faculty

Depreciation Programs for public utility commissions, companies, and consultants, sponsored by Depreciation Programs, Inc., in cooperation with Western Michigan University. (1980 - 1999)

United States Telephone Association (USTA), Depreciation Training Seminar, November 1999.

Depreciation Advocacy Workshop, a three-day team-training workshop on preparation, presentation, and defense of contested depreciation issues, sponsored by Gilbert Associates, Inc., October, 1979.

Corporate Economics Course, Employee Education Program, Northern States Power Company. (1968 - 1979)

Perspectives of Top Financial Executives, Course No. 5-300, University of Minnesota, September, 1978.

Depreciation Programs for public utility commissions, companies, and consultants, jointly sponsored by Western Michigan University and Michigan Technological University, 1973.

**Professional
Associations**

Advisory Committee to the Institute for Study of Regulation, sponsored by the American University and The University of Missouri-Columbia.

American Economic Association.

American Gas Association - Edison Electric Institute Depreciation Accounting Committee.

Board of Directors, Iowa State Regulatory Conference.

Edison Electric Institute, Energy Analysis Division, Economic Advisory Committee,

1976-1980.

Financial Management Association.

The Institute of Electrical and Electronics Engineers, Inc., Power Engineering Society, Engineering and Planning Economics Working Group.

Midwest Finance Association.

Society of Depreciation Professionals (Founding Member and Chairman, Policy Committee.

Moderator

Depreciation Open Forum, Iowa State University Regulatory Conference, May 1991.

The Quantification of Risk and Uncertainty in Engineering Economic Studies, Iowa State University Regulatory Conference, May 1989.

Plant Replacement Decisions with Added Revenue from New Service Offerings, Iowa State University Regulatory Conference, May 1988.

Economic Depreciation, Iowa State University Regulatory Conference, May 1987.

Opposing Views on the Use of Customer Discount Rates in Revenue Requirement Comparisons, Iowa State University Regulatory Conference, May 1986.

Cost of Capital Consequences of Depreciation Policy, Iowa State University Regulatory Conference, May 1985.

Concepts of Economic Depreciation, Iowa State University Regulatory Conference, May 1984.

Ratemaking Treatment of Large Capacity Additions, Iowa State University Regulatory Conference, May 1983.

The Economics of Excess Capacity, Iowa State University Regulatory Conference, May 1982.

New Developments in Engineering Economics, Iowa State University Regulatory Conference, May 1980.

Training in Engineering Economy, Iowa State University Regulatory Conference, May 1979.

The Real Time Problem of Capital Recovery, Missouri Public Service Commission, Regulatory Information Systems Conference, September 1974.

Speaker

Group Depreciation Practices of Regulated Utilities (IAS 16 Property, Plant and Equipment), Hydro One Networks, Inc., November 2008.

Economics, Finance and Engineering Valuation. Florida Gulf Coast University, April 2007.

Depreciation Studies for Regulated Utilities, Hydro One Networks, Inc., April 2006.

Depreciation Studies for Cooperatives and Small Utilities. TELERGEE CFO and Controllers Conference, November, 2004.

Finding the "D" in RCNLD (Valuation Applications of Depreciation), Society of Depreciation Professionals Annual Meeting, September 2001.

Capital Asset and Depreciation Accounting, City of Edmonton Value Engineering Workshop, April 2001.

A Valuation View of Economic Depreciation, Society of Depreciation Professionals Annual Meeting, October 1999.

Capital Recovery in a Changing Regulatory Environment, Pennsylvania Electric

Association Financial-Accounting Conference, May 1999.

Depreciation Theory and Practice, Southern Natural Gas Company Accounting and Regulatory Seminar, March 1999.

Depreciation Theory Applied to Special Franchise Property, New York Office of Real Property Services, March 1999.

Capital Recovery in a Changing Regulatory Environment, PowerPlan Consultants Annual Client Forum, November 1998.

Economic Depreciation, AGA Accounting Services Committee and EEI Property Accounting and Valuation Committee, May 1998.

Discontinuation of Application of FASB Statement No. 71, Southern Natural Gas Company Accounting Seminar, April 1998.

Forecasting in Depreciation, Society of Depreciation Professionals Annual Meeting, September 1997.

Economic Depreciation In Response to Competitive Market Pricing, 1997 TELUS Depreciation Conference, June 1997.

Valuation of Special Franchise Property, City of New York, Department of Finance Valuation Seminar, March 1997.

Depreciation Implications of FAS Exposure Draft 158-B, 1996 TLG Decommissioning Conference, October 1996.

Why Economic Depreciation?, American Gas Association Depreciation Accounting Committee Meeting, August 1995.

The Theory of Economic Depreciation, Society of Depreciation Professionals Annual Meeting, November 1994.

Vintage Depreciation Issues, G & T Accounting and Finance Association Conference, June 1994.

Pricing and Depreciation Strategies for Segmented Markets (Regulated and Competitive), Iowa State Regulatory Conference, May 1990.

Principles and Practices of Depreciation Accounting, Canadian Electrical Association and Nova Scotia Power Electric Utility Regulatory Seminar, December 1989.

Principles and Practices of Depreciation Accounting, Duke Power Accounting Seminar, September 1989.

The Theory and Practice of Depreciation Accounting Under Public Utility Regulation, GTE Capital Recovery Managers Conference, February 1989.

Valuation Methods for Regulated Utilities, GTE Capital Recovery Managers Conference, January 1988.

Depreciation Principles and Practices for REA Borrowers, NRECA 1985 National Accounting and Finance Conference, September 1985.

Depreciation Principles and Practices for REA Borrowers, Kentucky Association of Electric Cooperatives, Inc., Summer Accountants Association Meeting, June 1985.

Considerations in Conducting a Depreciation Study, NRECA 1984 National Accounting and Finance Conference, October 1984.

Software for Conducting Depreciation Studies on a Personal Computer, United States Independent Telephone Association, September 1984.

Depreciation—An Assessment of Current Practices, NRECA 1983 National

Accounting and Finance Conference, September 1983

Depreciation—An Assessment of Current Practices, REA National Field Conference, September 1983.

An Overview of Depreciation Systems, Iowa State Commerce Commission, October 1982.

Depreciation Practices for Gas Utilities, Regulatory Committee of the Canadian Gas Association, September 1981.

Practice, Theory, and Needed Research on Capital Investment Decisions in the Energy Supply Industry, workshop, sponsored by Michigan State University and the Electric Power Research Institute, November 1977.

Depreciation Concepts Under Regulation, Public Utilities Conference, sponsored by The University of Texas at Dallas, July 1976.

Electric Utility Economics, Mid-Continent Area Power Pool, May 1974.

**Honors and
Awards**

The Society of Sigma Xi.

Professional Achievement Citation in Engineering, Iowa State University, 1993.

EXHIBIT

REW-2

2009 Technical Update

UNS Electric, Inc.

Prepared by
Foster Associates, Inc.



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EXECUTIVE SUMMARY

INTRODUCTION

This report presents the findings and recommendations developed by Foster Associates in a 2009 Technical Update of depreciation rates for UNS Electric, Inc. (UNS Electric), an operating subsidiary of UniSource Energy Services, Inc. Parameters (*i.e.*, projection curves, projection lives and future net salvage rates) used in the update were developed in the Company's 2006 Depreciation Rate Review based on December 31, 2005 plant and reserve balances. Rates developed in the 2006 Review were approved by the Arizona Corporation Commission (ACC) in Docket No. E-04204A-06-0783 (Decision No. 70360, dated May 27, 2008).¹ Age distributions of surviving plant on December 31, 2008 were used in the 2009 update to derive composite service life statistics and theoretical depreciation reserves.

The purpose of a technical update is to adjust depreciation rates for changes in the variables associated with a remaining life accrual rate. The variables for an account include the age distribution of surviving plant, the recorded depreciation reserve and the average net salvage rate used in the calculation of a theoretical reserve. A technical update retains the parameters developed and/or approved in the most recent full depreciation study and adjusts depreciation rates for subsequent changes in plant, reserves and realized net salvage activity.

At the request of UNS Electric, two updates were prepared. The first update excludes Black Mountain Generation Station. The station is a simple cycle 90 megawatt combustion turbine generation plant constructed by UniSource Energy Development Company. The plant, located in Kingman, Arizona, commenced commercial operation May 1, 2008. The second update includes Black Mountain using an estimated year of final retirement provided by Tucson Electric Power engineers.

The principal findings from this review are summarized in the attached statements. Statement A provides a comparative summary of current and proposed annual depreciation rates for each rate category. Investment and net salvage components are displayed as directed by the ACC in Decision No. 70360. Statement B provides a comparison of current and proposed annualized depreciation accruals. Statement C provides a comparison of recorded, computed and redistributed depreciation reserves for each rate category. Statement D provides a summary of the components used to obtain a weighted-average net salvage rate for each plant ac-

¹ With the exception of transportation equipment and amortizable categories, projection lives and projection curves recommended in the 2006 Review were derived from the parameters estimated by Citizens in the 1991 study. Parameters for transportation equipment (not included in the Citizens study) were adopted from a UNS Gas study conducted by Foster Associates in 2006. Projection lives approved for Citizens were adopted as amortization periods for the proposed amortization categories.

count. Statement E provides a comparative summary of current and proposed parameters and statistics including projection life, projection curve, average service life, average remaining life, and average and future net salvage rates.

SCOPE OF STUDY

The principal activities undertaken in the course of conducting the 2009 Technical Update included:

- Collection of plant and net salvage data;
- Reconciliation of data to the official records of the Company;
- Computation of average net salvage rates; and
- Development of adjusted accrual rates for each rate category.

PROPOSED DEPRECIATION RATES

Table 1 provides a summary of the changes in annual rates and accruals resulting from the 2009 Technical Update excluding the Black Mountain Generation Station. Rates proposed for each primary account (with the exception of amortization accounts) have been developed including an allowance for net salvage.

Function	Accrual Rate			2009 Annualized Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Intangible Plant	5.25%	5.11%	-0.14%	\$403,155	\$392,316	(\$10,839)
Other Production	2.44%	2.43%	-0.01%	642,594	642,285	(309)
Transmission	3.52%	3.36%	-0.16%	1,959,277	1,866,367	(92,910)
Distribution	4.17%	3.97%	-0.20%	13,845,594	13,174,058	(671,536)
General Plant	8.73%	8.01%	-0.72%	1,980,388	1,817,624	(162,764)
Total Utility	4.24%	4.03%	-0.21%	\$18,831,008	\$17,892,650	(\$938,358)

Table 1. Current and Proposed Rates and Accruals Excluding Black Mountain

Adjustments developed in the technical update produce a composite depreciation rate of 4.03 percent. Depreciation expense is currently accrued at an equivalent rate of 4.24 percent. The change in the composite depreciation rate is a reduction of 0.21 percentage points.

A continued application of rates derived from currently approved parameters would produce annual depreciation expense of \$18,831,008 compared with an annual expense of \$17,892,650 using the rates developed in the update. The expense reduction of \$938,358 is generally attributable to a change in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant.

Table 2 provides a summary of the changes in annual rates and accruals resulting from the 2009 Update including the Black Mountain Generation Station.

Function	Accrual Rate			2009 Annualized Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Intangible Plant	5.25%	5.11%	-0.14%	\$403,155	\$392,316	(\$10,839)
Other Production	2.55%	2.56%	0.01%	2,257,314	2,268,100	10,786
Transmission	3.52%	3.36%	-0.16%	1,959,278	1,866,366	(92,912)
Distribution	4.17%	3.97%	-0.20%	13,845,595	13,174,058	(671,537)
General Plant	8.73%	8.01%	-0.72%	1,980,388	1,817,622	(162,766)
Total Utility	4.04%	3.85%	-0.19%	\$20,445,730	\$19,518,462	(\$927,268)

Table 2. Current and Proposed Rates and Accruals Including Black Mountain

Adjustments developed in the update produce a composite depreciation rate of 3.85 percent. Depreciation expense is currently accrued at an equivalent rate of 4.04 percent. The change in the composite depreciation rate is a reduction of 0.19 percentage points.

A continued application of rates derived from current parameters would produce annual depreciation expense of \$20,445,730 compared with an annual expense of \$19,518,462 using the rates developed in the update. The expense reduction of \$927,268 is generally attributable to a change in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant.

STUDY PROCEDURE

INTRODUCTION

Unlike a full depreciation study in which projection curves, projection lives and future net salvage rates are estimated from a statistical analysis of recorded retirements and net salvage realized in the past, a technical update generally retains the parameters currently used by the utility and adjusts depreciation rates for known and measurable changes in the age distributions of surviving plant, depreciation reserves, and average net salvage rates due to the passage of time. A technical update is intended to align depreciation rates with the accounting year the rates will become effective.

SCOPE

The steps involved in preparing a technical update can be grouped into five principal activities:

- Data collection;
- Calculation of service life statistics;
- Computation of average net salvage rates;
- Rebalancing of depreciation reserves; and
- Development of accrual rates.

The scope of the 2009 update for UNS Electric included a consideration of each of these tasks as described below.

DATA COLLECTION

Plant accounting and depreciation reserve transactions recorded over the period 2006–2008 and age distributions of surviving plant at December 31, 2008 were provided to Foster Associates in an electronic format and appended to the database used in conducting the 2006 Review. Depreciation rates currently used by UNS Electric were developed using a broad-group procedure. The realized life of surviving vintages derived from the dollar-years of service provided by each vintage is not relevant to an update of broad-group depreciation rates. Therefore, plant transactions recorded in prior activity years were only used to derive age distribution at December 31, 2008. The accuracy and completeness of the assembled database was verified by comparisons to FERC Form 1 for activity years 2006–2008. Prior activity years were reconciled in the 2006 Review. Derived age distributions were reconciled to the continuing property records at December 31, 2008.

CALCULATION OF SERVICE LIFE STATISTICS

The composite remaining life and average service life of a plant category used in the calculation of depreciation rates are derived from a tabular arrangement of the age distribution of surviving plant and related statistics. The format of such a table is called a *generation arrangement*.

The age distribution of surviving plant is a column of numbers showing the dollar amount of investment remaining in service at the beginning of a study year from each of the vintages installed in prior years. The sum of an age distribution is the total plant in service for a plant category. The source of data used to construct an age distribution is a company's Continuing Property Record (CPR) system.

Statistics for each vintage (*i.e.*, average service life and remaining life) contained in a generation arrangement are derived from a mathematical function called a *survivor curve*. The survivor curve most descriptive of the forces of retirement acting upon a plant category is identified from a statistical analysis of past retirement experience, coupled with a consideration of how these forces are likely to change in the future. The collection of past retirements used in the statistical analysis can be viewed as a random sample from an unknown parent population. The objective of a life analysis is to estimate the parameters (*i.e.*, mean service life and dispersion characteristics) of the parent population. The mean service life of the population which best describes the timing of past and future retirements is called a *projection life* and the survivor curve selected to describe the forces of retirement acting upon the population is called a *projection curve*. A technical update generally retains the service life parameters estimated in a full depreciation study. Statistics for each vintage, however, are updated to reflect known and measurable changes in the age distributions of surviving plant.

COMPUTATION OF AVERAGE NET SALVAGE RATES

Estimates of net salvage rates applicable to future retirements are derived in a full depreciation study from an analysis of gross salvage and removal expense realized in the past and a consideration of future expectations that may dictate a departure from historical indications. Future net salvage rates adopted from such an analysis are retained as fixed parameters in a technical update.

The average net salvage rate for an account or plant function is derived from a direct dollar weighting of a) historical retirements with historical (or realized) net salvage rates and b) future retirements (*i.e.*, surviving plant) with the estimated future net salvage rate. Average net salvage rates will change, therefore, as additional years of retirement and net salvage activity become available and as subsequent plant additions alter the weighting of future net salvage estimates.

The computation of salvage rates is shown in Statement D.

REBALANCING OF DEPRECIATION RESERVES

Although reserve records are typically maintained by various account classifications, the total reserve for a company is the most important measure of the status of the company's depreciation practices and procedures. If a company has not previously conducted statistical life studies or considered retirement dispersion in setting depreciation rates, it is likely that some accounts will be over-depreciated and other accounts will be under-depreciated relative to a calculated or theoretical reserve. Differences between theoretical and recorded reserves will also arise as a normal occurrence when service lives, dispersion patterns and net salvage estimates are changed in the course of depreciation reviews. It is appropriate, therefore, and consistent with group depreciation theory to periodically redistribute recorded reserves among the various primary accounts based upon the most recent estimates of retirement dispersion and net salvage rates.

A rebalancing of recorded reserves is consistent with the objectives of a technical update and is considered appropriate for UNS Electric. The rebalancing of reserves undertaken in the 2009 update will help to stabilize depreciation rates and preserve consistency between measured reserve imbalances and the parameters used in the formulation of updated remaining-life accrual rates.

A redistribution of the recorded reserve was achieved for UNS Electric by multiplying the calculated reserve for each primary account within a function (or plant location) by the ratio of the function (or location) total recorded reserve to the function (or location) total calculated reserve. The sum of the redistributed reserves within a function (or location) is, therefore, equal to the function (or location) total recorded depreciation reserve before the redistribution.

Statement C provides a comparison of recorded, computed and rebalanced reserves for UNS Electric at December 31, 2008. The recorded reserve excluding Black Mountain was \$193,348,358 or 43.5 percent of the depreciable plant investment. The corresponding computed reserve is \$184,859,206 or 41.6 percent of the depreciable plant investment. A proportionate amount of the measured reserve excess of \$8,489,152 will be amortized over the composite weighted-average remaining life of each rate category.

The recorded reserve including Black Mountain was \$194,357,557 or 38.4 percent of the depreciable plant investment. The corresponding computed reserve is \$185,594,056 or 36.7 percent of the depreciable plant investment. A proportionate amount of the measured reserve excess of \$8,763,501 will be amortized over the composite weighted-average remaining life of each rate category.

DEVELOPMENT OF ACCRUAL RATES

The goal or objective of depreciation accounting is cost allocation over the economic life of an asset in proportion to the consumption of service potential. Ideally, the cost of an asset—which represents the cost of obtaining a bundle of service units—should be allocated to future periods of operation in proportion to the amount of service potential expended during an accounting interval. The service potential of an asset is the present value of future net revenue (*i.e.*, revenue less expenses exclusive of depreciation and other non-cash expenses) or cash inflows attributable to the use of that asset alone.

Depreciation rates currently approved for UNS Electric were developed using a system composed of the straight-line method, broad-group procedure, remaining-life technique. Depreciation rates proposed in the update were developed using the currently approved system.

STATEMENTS

INTRODUCTION

This section provides a comparative summary of depreciation rates, annualized depreciation accruals, recorded and computed depreciation reserves, and current and proposed service life and net salvage parameters for UNS Electric. The content of these statements is briefly described below.

- Statement A provides a comparative summary of current and proposed annual depreciation rates for calendar year 2009 using the straight-line method, broad group procedure, remaining-life technique.
- Statement B provides a comparison of the current and proposed annualized depreciation accruals for calendar year 2009 derived from the rates developed in Statement A.
- Statement C provides a comparison of recorded and computed reserves for each rate category and sets forth the computations used to redistribute recorded reserves among primary plant accounts.
- Statement D provides a summary of the components used to obtain a weighted average net salvage rate for each rate category.
- Statement E provides a comparative summary of current parameters including projection life, projection curve and future net salvage rates. The statement also contains current and proposed statistics including average service life, average remaining life, and average net salvage rates.

Current depreciation accruals shown on Statement B are the product of the plant investment (Column B) and current depreciation rates shown on Statement A. Similarly, proposed depreciation accruals shown on Statement B are the product of the plant investment and the proposed depreciation rates shown on Statement A. Both current and proposed remaining life accrual rates are given by:

$$\text{Accrual Rate} = \frac{1.0 - \text{Reserve Ratio} - \text{Future Net Salvage Rate}}{\text{Remaining Life}}$$

Statements A through E

UNS ELECTRIC, INC. (Excluding Black Mountain)

Statement A

Comparison of Current and Proposed Accrual Rates

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description A	Current Rates (at 12/31/2008)			Proposed Rates (at 12/31/2008)		
	Investment B	Net Salvage C	Total D=B+C	Investment E	Net Salvage F	Total G=E+F
INTANGIBLE PLANT						
Depreciable						
303.WP Misc. Intangible - WAPA Switchboard	3.13%		3.13%	2.82%		2.82%
Total Depreciable	3.13%		3.13%	2.82%		2.82%
Amortizable						
302.00 Franchises and Consents	← 25 Year Amortization →					
303.00 Miscellaneous Intangible Plant	← 15 Year Amortization →			← 15 Year Amortization →		
303.WC Misc. Intangible - WAPA Fiber Optic	← 23 Year Amortization →			← 23 Year Amortization →		
303.PC Misc. Intangible Plant - PC Software	← 5 Year Amortization →			← 5 Year Amortization →		
Total Amortizable	7.00%		7.00%	7.00%		7.00%
Total Intangible Plant	5.25%		5.25%	5.11%		5.11%
OTHER PRODUCTION PLANT						
341.00 Structures and Improvements	2.07%		2.07%	2.05%		2.05%
342.00 Fuel Holders, Producers and Accessories	2.51%		2.51%	2.52%		2.52%
343.00 Prime Movers	2.53%		2.53%	2.53%		2.53%
344.00 Generators	2.33%		2.33%	2.33%		2.33%
345.00 Accessory Electric Equipment	2.35%		2.35%	2.35%		2.35%
346.00 Miscellaneous Power Plant Equipment	2.64%		2.64%	2.64%		2.64%
Total Other Production Plant	2.44%		2.44%	2.43%		2.43%
TRANSMISSION PLANT						
350.RW Rights of Way	2.02%		2.02%	1.91%		1.91%
352.00 Structures and Improvements	3.13%		3.13%	2.93%		2.93%
353.00 Station Equipment	3.15%		3.15%	3.02%		3.02%
354.00 Towers and Fixtures	5.03%		5.03%	4.89%		4.89%
355.00 Poles and Fixtures	4.08%	0.40%	4.48%	3.86%	0.38%	4.24%
356.00 Overhead Conductors and Devices	2.66%		2.66%	2.55%		2.55%
358.00 Underground Conductors and Devices	4.36%		4.36%	1.99%	0.10%	2.09%
359.00 Roads and Trails	2.02%		2.02%	1.93%		1.93%
Total Transmission Plant	3.38%	0.15%	3.52%	3.22%	0.14%	3.36%
DISTRIBUTION PLANT						
360.RW Rights of Way	2.03%		2.03%	1.95%		1.95%
361.00 Structures and Improvements	2.96%		2.96%	2.90%		2.90%
362.00 Station Equipment	4.09%		4.09%	3.84%		3.84%
364.00 Poles, Towers and Fixtures	3.76%	0.38%	4.14%	3.54%	0.34%	3.88%
365.00 Overhead Conductors and Devices	3.76%	0.37%	4.13%	3.57%	0.35%	3.92%
366.00 Underground Conduit	3.61%	0.18%	3.79%	3.49%	0.17%	3.66%
367.00 Underground Conductors and Devices	4.40%		4.40%	4.25%	0.02%	4.27%
368.00 Line Transformers	4.41%	0.22%	4.63%	4.21%	0.24%	4.45%
369.OH Services - Overhead	3.77%		3.77%	3.54%		3.54%
369.UG Services - Underground	3.75%		3.75%	3.61%		3.61%
370.00 Meters	2.96%	0.15%	3.11%	2.90%	0.11%	3.01%
373.00 Street Lighting and Signal Systems	4.04%		4.04%	3.87%		3.87%
Total Distribution Plant	3.95%	0.22%	4.17%	3.76%	0.21%	3.97%
GENERAL PLANT						
Depreciable						
390.00 Structures and Improvements	2.65%		2.65%	2.60%		2.60%
392.C1 Transportation Equipment - Class 1	12.75%		12.75%	12.35%	-0.46%	11.89%
392.C2 Transportation Equipment - Class 2	16.99%		16.99%	16.33%	-1.24%	15.09%
392.C3 Transportation Equipment - Class 3	20.21%		20.21%	19.32%	-0.94%	18.38%
392.C4 Transportation Equipment - Class 4	13.47%		13.47%	11.88%	-0.32%	11.56%
392.C5 Transportation Equipment - Class 5	12.55%		12.55%	12.33%	-1.23%	11.10%
396.00 Power Operated Equipment	6.92%		6.92%	6.53%		6.53%
Total Depreciable	11.04%		11.04%	10.56%	-0.68%	9.87%

UNS ELECTRIC, INC. (Excluding Black Mountain)

Statement A

Comparison of Current and Proposed Accrual Rates

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description	Current Rates (at 12/31/2008)			Proposed Rates (at 12/31/2008)		
	Investment	Net Salvage	Total	Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
Amortizable						
391.10 Office Furniture and Equipment	← 21 Year Amortization →			← 21 Year Amortization →		
391.20 Computer Equipment - PCs	← 5 Year Amortization →			← 5 Year Amortization →		
393.00 Stores Equipment	← 33 Year Amortization →			← 33 Year Amortization →		
394.00 Tools, Shop and Garage Equipment	← 29 Year Amortization →			← 29 Year Amortization →		
395.00 Laboratory Equipment	← 40 Year Amortization →			← 40 Year Amortization →		
397.CE Communication Equipment	← 23 Year Amortization →			← 23 Year Amortization →		
398.00 Miscellaneous Equipment	← 18 Year Amortization →			← 18 Year Amortization →		
Total Amortizable	5.04%		5.04%	5.04%		5.04%
Total General Plant	8.73%		8.73%	8.43%	-0.42%	8.01%
TOTAL UTILITY	4.06%	0.18%	4.24%	3.88%	0.15%	4.03%

UNS ELECTRIC, INC. (Excluding Black Mountain)

Comparison of Current and Proposed Accruals

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description A	12/31/08 Investment B	Current 2009 Annualized Accrual C			Proposed 2009 Annualized Accrual F			Difference H=F+G I=H-E
		Investment C	Net Salvage D	Total E=C+D	Investment F	Net Salvage G	Total H=F+G	
INTANGIBLE PLANT								
Depreciable								
303.WP Misc. Intangible - WAPA Switchboard	\$3,466,688	\$108,507		\$108,507	\$97,761		\$97,761	(\$10,746)
Total Depreciable	\$3,466,688	\$108,507		\$108,507	\$97,761		\$97,761	(\$10,746)
Amortizable								
302.00 Franchises and Consents	2,124,607	141,711		141,711	141,499		141,499	(212)
303.00 Miscellaneous Intangible Plant	1,685,000	73,298		73,298	73,298		73,298	
303.WC Misc. Intangible - WAPA Fiber Optic	398,194	79,639		79,639	79,758		79,758	119
303.PC Misc.Intangible Plant - PC Software	\$4,207,801	\$294,648		\$294,648	\$294,555		\$294,555	(\$93)
Total Amortizable	\$7,674,489	\$403,155		\$403,155	\$392,316		\$392,316	(\$10,839)
OTHER PRODUCTION PLANT								
341.00 Structures and Improvements	\$1,969,407	\$40,767		\$40,767	\$40,373		\$40,373	(\$394)
342.00 Fuel Holders, Producers and Accessories	847,308	21,267		21,267	21,352		21,352	85
343.00 Prime Movers	13,419,272	339,508		339,508	339,508		339,508	
344.00 Generators	6,304,468	146,894		146,894	146,894		146,894	
345.00 Accessory Electric Equipment	2,513,408	59,065		59,065	59,065		59,065	
346.00 Miscellaneous Power Plant Equipment	1,329,274	35,093		35,093	35,093		35,093	
Total Other Production Plant	\$26,383,137	\$642,594		\$642,594	\$642,285		\$642,285	(\$309)
TRANSMISSION PLANT								
350.RW Rights of Way	\$346,016	\$6,990		\$6,990	\$6,609		\$6,609	(\$381)
352.00 Structures and Improvements	427,830	13,391		13,391	12,535		12,535	(856)
353.00 Station Equipment	18,912,584	595,746		595,746	571,159		571,159	(24,587)
354.00 Towers and Fixtures	521,825	26,248		26,248	25,517		25,517	(731)
355.00 Poles and Fixtures	20,666,171	843,180	82,665	925,845	797,714	78,531	876,245	(49,600)
356.00 Overhead Conductors and Devices	14,516,855	386,148		386,148	370,180		370,180	(15,968)
358.00 Underground Conductors and Devices		1,196		1,196	546	27	573	(623)
359.00 Roads and Trails	183,860	3,714		3,714	3,548		3,548	(166)
Total Transmission Plant	\$55,602,558	\$1,876,613	\$82,665	\$1,959,278	\$1,787,808	\$78,558	\$1,866,366	(\$92,912)
DISTRIBUTION PLANT								
360.RW Rights of Way	\$133,365	\$2,707		\$2,707	\$2,601		\$2,601	(\$106)
361.00 Structures and Improvements	5,690,805	168,448		168,448	165,033		165,033	(3,415)
362.00 Station Equipment	39,478,232	1,614,660		1,614,660	1,515,964		1,515,964	(98,696)
364.00 Poles, Towers and Fixtures	85,011,451	3,196,431	323,044	3,519,475	3,009,405	289,039	3,298,444	(221,031)

UNS ELECTRIC, INC. (Excluding Black Mountain)

Comparison of Current and Proposed Accruals

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description	12/31/08 Investment	Current 2009 Annualized Accrual		Proposed 2009 Annualized Accrual		Difference			
		B	C	D	E=C+D		F	G	H=F+G
A									
365.00 Overhead Conductors and Devices	58,978,060	2,217,575	218,219	2,435,794	2,105,517	206,423	2,311,940	(123,854)	
366.00 Underground Conduit	16,265,133	587,171	29,277	616,448	567,653	27,651	595,304	(21,144)	
367.00 Underground Conductors and Devices	37,799,476	1,663,177		1,663,177	1,606,478	7,560	1,614,038	(49,139)	
368.00 Line Transformers	61,999,842	2,734,193	136,400	2,870,593	2,610,193	148,800	2,758,993	(111,600)	
369.00 Services - Overhead	8,523,830	321,348		321,348	301,744		301,744	(19,604)	
369.00 Services - Underground	4,877,076	182,890		182,890	176,062		176,062	(6,828)	
370.00 Meters	9,135,761	270,419	13,704	284,123	264,937	10,049	274,986	(9,137)	
373.00 Street Lighting and Signal Systems	4,107,216	165,932		165,932	158,949		158,949	(6,983)	
Total Distribution Plant	\$332,000,247	\$13,124,951	\$720,644	\$13,845,595	\$12,484,536	\$689,522	\$13,174,058	(\$671,537)	
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	\$2,611,428	\$69,203		\$69,203	\$67,897		\$67,897	(\$1,306)	
392.C1 Transportation Equipment - Class 1	147,553	18,813		18,813	18,223	(679)	17,544	(1,269)	
392.C2 Transportation Equipment - Class 2	1,260,656	214,185		214,185	205,865	(15,632)	190,233	(23,952)	
392.C3 Transportation Equipment - Class 3	1,056,586	213,536		213,536	204,132	(9,932)	194,200	(19,336)	
392.C4 Transportation Equipment - Class 4	1,834,288	247,079		247,079	217,913	(5,870)	212,043	(35,036)	
392.C5 Transportation Equipment - Class 5	5,144,272	645,606		645,606	634,289	(63,275)	571,014	(74,592)	
396.00 Power Operated Equipment	1,879,460	130,059		130,059	122,729		122,729	(7,330)	
Total Depreciable	\$13,934,243	\$1,538,481		\$1,538,481	\$1,471,048	(\$95,388)	\$1,375,660	(\$162,821)	
Amortizable									
391.10 Office Furniture and Equipment	\$1,574,954	\$74,968		\$74,968	\$74,968		\$74,968		
391.20 Computer Equipment - PCs	670,109	134,022		134,022	134,089		134,089		
393.00 Stores Equipment	118,860	3,601		3,601	3,601		3,601		
394.00 Tools, Shop and Garage Equipment	2,666,594	91,997		91,997	91,997		91,997		
395.00 Laboratory Equipment	1,430,916	35,773		35,773	35,773		35,773		
397.CE Communication Equipment	2,175,606	94,639		94,639	94,639		94,639		
398.00 Miscellaneous Equipment	124,227	6,907		6,907	6,895		6,895	(12)	
Total Amortizable	\$8,761,266	\$441,907		\$441,907	\$441,962		\$441,962	\$55	
Total General Plant	\$22,695,509	\$1,980,388	\$803,309	\$1,980,388	\$1,913,010	(\$95,388)	\$1,817,622	(\$162,766)	
TOTAL UTILITY	\$444,355,940	\$18,027,701	\$803,309	\$18,831,010	\$17,219,955	\$672,692	\$17,892,647	(\$938,363)	

UNS ELECTRIC, INC. (Excluding Black Mountain)

Depreciation Reserve Summary

Broad Group Procedure

December 31, 2008

Statement C

Account Description	Plant		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	Investment	B	Amount	D=C/B	Amount	F=E/B	Amount	H=G/B
INTANGIBLE PLANT								
Depreciable								
303.WP Misc. Intangible - WAPA Switchboard	\$3,466,688		\$502,351	14.49%	\$431,169	12.44%	\$722,638	20.85%
Total Depreciable	\$3,466,688		\$502,351	14.49%	\$431,169	12.44%	\$722,638	20.85%
Amortizable								
302.00 Franchises and Consents			(\$113)					
303.00 Miscellaneous Intangible Plant	2,124,607		965,818	45.46%	1,302,255	61.29%	1,302,255	61.29%
303.WQ Misc. Intangible - WAPA Fiber Optic	1,685,000		394,086	23.39%	402,935	23.91%	402,935	23.91%
303.PC Misc.Intangible Plant - PC Software	398,194		766,040	192.38%	200,354	50.32%	200,354	50.32%
Total Amortizable	\$4,207,801		\$2,125,831	50.52%	\$1,905,544	45.29%	\$1,905,544	45.29%
Total Intangible Plant	\$7,674,489		\$2,628,182	34.25%	\$2,336,713	30.45%	\$2,628,182	34.25%
OTHER PRODUCTION PLANT								
341.00 Structures and Improvements	\$1,969,407		\$322,478	16.37%	\$349,268	17.73%	\$339,030	17.21%
342.00 Fuel Holders, Producers and Accessories	847,308		173,591	20.49%	177,087	20.90%	171,896	20.29%
343.00 Prime Movers	13,419,272		3,848,955	28.68%	3,867,602	28.82%	3,754,230	27.98%
344.00 Generators	6,304,468		536,070	8.50%	694,958	11.02%	674,586	10.70%
345.00 Accessory Electric Equipment	2,513,408		682,563	27.16%	651,148	25.91%	632,061	25.15%
346.00 Miscellaneous Power Plant Equipment	1,329,274		132,763	9.99%	128,380	9.66%	124,617	9.37%
Total Other Production Plant	\$26,383,137		\$5,696,420	21.59%	\$5,868,443	22.24%	\$5,696,420	21.59%
TRANSMISSION PLANT								
350.RW Rights of Way	\$346,016		\$130,587	37.74%	\$148,095	42.80%	\$157,153	45.42%
352.00 Structures and Improvements	427,830		157,831	36.89%	145,721	34.06%	154,634	36.14%
353.00 Station Equipment	18,912,584		7,219,008	38.17%	6,784,882	35.88%	7,199,854	38.07%
354.00 Towers and Fixtures	521,825		171,132	32.79%	141,415	27.10%	150,064	28.76%
355.00 Poles and Fixtures	20,666,171		9,143,150	44.24%	8,415,066	40.72%	8,929,742	43.21%
356.00 Overhead Conductors and Devices	14,516,855		5,141,109	35.41%	5,057,978	34.84%	5,367,330	36.97%
358.00 Underground Conductors and Devices	27,437		2,509	9.14%	1,440	5.25%	1,529	5.57%
359.00 Roads and Trails	183,860		64,515	35.09%	65,528	35.64%	69,535	37.82%
Total Transmission Plant	\$55,602,558		\$22,029,840	39.62%	\$20,760,126	37.34%	\$22,029,840	39.62%
DISTRIBUTION PLANT								
360.RW Rights of Way	\$133,365		\$39,430	29.57%	\$45,264	33.94%	\$47,397	35.54%
361.00 Structures and Improvements	5,690,805		1,317,861	23.16%	1,324,972	23.28%	1,387,406	24.38%

UNS ELECTRIC, INC. (Excluding Black Mountain)

Depreciation Reserve Summary

Broad Group Procedure

December 31, 2008

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Redistributed Reserve	
		Amount	Ratio	Amount	Ratio	Amount	Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
362.00 Station Equipment	39,478,232	19,358,765	49.04%	18,049,448	45.72%	18,899,960	47.87%
364.00 Poles, Towers and Fixtures	85,011,451	46,789,344	55.04%	45,847,620	53.93%	48,008,017	56.47%
365.00 Overhead Conductors and Devices	58,978,060	29,819,099	50.56%	28,578,409	48.46%	29,925,059	50.74%
366.00 Underground Conduit	16,265,133	6,047,350	37.18%	5,696,863	35.03%	5,965,306	36.68%
367.00 Underground Conductors and Devices	37,799,476	13,688,605	36.21%	12,165,515	32.18%	12,738,769	33.70%
368.00 Line Transformers	61,999,842	27,707,134	44.69%	25,759,802	41.55%	26,973,636	43.51%
369.OH Services - Overhead	8,523,830	4,334,332	50.85%	4,160,892	48.81%	4,356,958	51.12%
369.UG Services - Underground	4,877,076	1,792,586	36.76%	1,728,652	35.44%	1,810,109	37.11%
370.00 Meters	9,135,761	2,597,445	28.43%	2,456,757	26.89%	2,572,522	28.16%
373.00 Street Lighting and Signal Systems	4,107,216	953,055	23.20%	1,680,673	40.92%	1,759,868	42.85%
Total Distribution Plant	\$332,000,247	\$154,445,006	46.52%	\$147,494,866	44.43%	\$154,445,006	46.52%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	\$2,611,428	\$791,938	30.33%	\$742,883	28.45%	\$766,274	29.34%
392.C1 Transportation Equipment - Class 1	147,553	(112,095)	-75.97%	30,809	20.88%	31,779	21.54%
392.C2 Transportation Equipment - Class 2	1,260,656	725,367	57.54%	426,743	33.85%	440,180	34.92%
392.C3 Transportation Equipment - Class 3	1,056,586	206,593	19.55%	468,135	44.31%	482,876	45.70%
392.C4 Transportation Equipment - Class 4	1,834,288	636,632	34.71%	961,311	52.41%	991,581	54.06%
392.C5 Transportation Equipment - Class 5	5,144,272	1,487,865	28.92%	1,377,379	26.78%	1,420,749	27.62%
396.00 Power Operated Equipment	1,879,460	806,510	42.91%	751,784	40.00%	775,456	41.28%
Total Depreciable	\$13,934,243	\$4,542,811	32.60%	\$4,759,044	34.15%	\$4,908,895	35.23%
Amortizable							
391.10 Office Furniture and Equipment	\$1,574,954	\$916,754	58.21%	\$922,258	58.56%	\$922,258	58.56%
391.20 Computer Equipment - PCs	670,109	685,432	102.29%	282,605	42.17%	282,605	42.17%
393.00 Stores Equipment	118,860	72,313	60.84%	73,180	61.57%	73,180	61.57%
394.00 Tools, Shop and Garage Equipment	2,666,594	1,207,347	45.28%	1,223,799	45.89%	1,223,799	45.89%
395.00 Laboratory Equipment	1,430,916	399,491	27.92%	404,062	28.24%	404,062	28.24%
397.CE Communication Equipment	2,175,606	642,499	29.53%	652,804	30.01%	652,804	30.01%
398.00 Miscellaneous Equipment	124,227	82,263	66.22%	81,306	65.45%	81,306	65.45%
Total Amortizable	\$8,761,266	\$4,006,099	45.73%	\$3,640,014	41.55%	\$3,640,014	41.55%
Total General Plant	\$22,695,509	\$8,548,909	37.67%	\$8,399,058	37.01%	\$8,548,909	37.67%
TOTAL UTILITY	\$444,355,940	\$193,348,358	43.51%	\$184,859,206	41.60%	\$193,348,358	43.51%

UNS ELECTRIC, INC. (Excluding Black Mountain)

Statement D

Average Net Salvage

Account Description A	Plant Investment		Survivors D-B-C	Salvage Rate		Net Salvage		Average Rate J-I/J
	Additions B	Retirements C		Realized E	Future F	Future H-FD	Total I-G+H	
INTANGIBLE PLANT								
Depreciable								
303.WP Misc. Intangible - WAPA Switchboard	\$3,466,688		\$3,466,688					
Total Depreciable	\$3,466,688		\$3,466,688					
Amortizable								
302.00 Franchises and Consents		2,094,492						
303.00 Miscellaneous Intangible Plant	4,219,099		2,124,607					
303.WC Misc. Intangible - WAPA Fiber Optic	1,685,000		1,685,000					
303.PC Misc. Intangible Plant - PC Software	1,543,417	1,145,223	398,194					
Total Amortizable	\$7,447,516	\$3,239,715	\$4,207,801					
Total Intangible Plant	\$10,914,204	\$3,239,715	\$7,674,489					
OTHER PRODUCTION PLANT								
341.00 Structures and Improvements	\$1,969,407		\$1,969,407					
342.00 Fuel Holders, Producers and Accessories	847,308		847,308					
343.00 Prime Movers	15,442,734	2,023,462	13,419,272	0.5%		10,117	10,117	0.1%
344.00 Generators	6,352,068	47,600	6,304,468					
345.00 Accessory Electric Equipment	2,732,746	219,338	2,513,408					
346.00 Miscellaneous Power Plant Equipment	1,338,893	9,619	1,329,274					
Total Other Production Plant	\$28,583,156	\$2,300,019	\$26,383,137	0.4%		\$10,117	\$10,117	
TRANSMISSION PLANT								
350.RW Rights of Way	\$346,016		\$346,016					
352.00 Structures and Improvements	427,830		427,830					
353.00 Station Equipment	18,952,043	39,479	18,912,564					
354.00 Towers and Fixtures	521,825		521,825					
355.00 Poles and Fixtures	20,774,416	108,245	20,666,171		-10.0%	(2,066,617)	(2,066,617)	-9.9%
356.00 Overhead Conductors and Devices	14,538,514	21,659	14,516,855					
358.00 Underground Conductors and Devices	27,437		27,437		-5.0%	(1,372)	(1,372)	-5.0%
359.00 Roads and Trails	183,860		183,860					
Total Transmission Plant	\$55,771,941	\$169,383	\$55,602,558		-3.7%	(\$2,067,989)	(\$2,067,989)	-3.7%
DISTRIBUTION PLANT								
360.RW Rights of Way	\$133,365		\$133,365					
361.00 Structures and Improvements	5,714,916	24,111	5,690,805	31.7%		7,643	7,643	0.1%
362.00 Station Equipment	39,880,772	402,540	39,478,232	1.8%		7,246	7,246	
364.00 Poles, Towers and Fixtures	86,126,933	1,115,482	85,011,451	16.8%	-10.0%	(8,501,145)	(8,313,744)	-9.7%
365.00 Overhead Conductors and Devices	60,166,110	1,188,050	58,978,060	-4.7%	-10.0%	(55,838)	(5,953,644)	-9.9%
366.00 Underground Conduit	16,373,456	108,323	16,265,133	0.1%	-5.0%	108	(813,148)	-5.0%

UNS ELECTRIC, INC. (Excluding Black Mountain)

Average Net Salvage

Statement D

Account Description A	Plant Investment		Salvage Rate		Net Salvage		Average Rate J=IB
	Additions B	Retirements C	Realized E	Future F	Realized G=E-C	Future H=F-D	
			D=B-C			I=G-H	
367.00 Underground Conductors and Devices	38,131,743	332,267	37,799,476	-57.2%	(190,057)	(190,057)	-0.5%
368.00 Line Transformers	63,641,794	1,641,952	61,999,842	-28.2%	(463,030)	(3,563,023)	-5.6%
369.00 Services - Overhead	8,524,159	329	8,523,830				
369.00 Services - Underground	4,877,076		4,877,076				
370.00 Meters	11,382,119	2,246,358	9,135,761	0.6%	13,478	(456,788)	-3.9%
373.00 Street Lighting and Signal Systems	4,177,865	70,649	4,107,216	-2.0%	(1,413)	(1,413)	
Total Distribution Plant	\$339,130,308	\$7,130,061	\$332,000,247	-6.9%	(\$494,462)	(\$19,263,450)	-5.7%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	\$2,611,433	\$5	\$2,611,428				
392.C1 Transportation Equipment - Class 1	540,174	392,621	147,553	1.8%	7,067	21,822	4.0%
392.C2 Transportation Equipment - Class 2	1,989,217	728,561	1,260,656	3.7%	26,957	153,022	7.7%
392.C3 Transportation Equipment - Class 3	2,629,311	1,572,725	1,056,586	1.9%	29,882	135,540	5.2%
392.C4 Transportation Equipment - Class 4	5,717,123	3,882,635	1,834,288	0.1%	3,883	187,312	3.3%
392.C5 Transportation Equipment - Class 5	5,144,272		5,144,272			514,427	10.0%
396.00 Power Operated Equipment	1,900,656	21,196	1,879,460				
Total Depreciable	\$20,532,186	\$6,597,943	\$13,934,243	1.0%	\$67,789	\$944,336	4.9%
Amortizable							
391.10 Office Furniture and Equipment	\$5,369,368	\$3,814,414	\$1,574,954				
391.20 Computer Equipment - PCs	1,543,448	873,339	670,109				
393.00 Stores Equipment	125,241	6,381	118,860				
394.00 Tools, Shop and Garage Equipment	2,864,920	198,326	2,666,594				
395.00 Laboratory Equipment	1,488,136	57,220	1,430,916				
397.CE Communication Equipment	2,295,578	119,972	2,175,606				
398.00 Miscellaneous Equipment	149,698	25,471	124,227				
Total Amortizable	\$13,856,369	\$5,095,123	\$8,761,266				
Total General Plant	\$34,388,575	\$11,693,066	\$22,695,509	0.6%	\$67,789	\$944,336	2.9%
TOTAL UTILITY	\$468,888,184	\$24,532,244	\$444,355,940	-1.7%	(\$416,556)	(\$19,892,641)	-4.3%

UNS ELECTRIC, INC. (Excluding Black Mountain)

Current and Proposed Parameters
Broad Group Procedure

Statement E

Account Description A	Current Parameters						Proposed Parameters					
	B	C	D	E	F	G	H	I	J	K	L	M
	P-Life/ AYFR	Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
INTANGIBLE PLANT												
Depreciable												
303.WP Misc. Intangible - WAPA Switchboard	32.00	R1	32.00	30.16			32.00	R1	32.00	28.02		
Total Depreciable									32.00	28.02		
Amortizable												
302.00 Franchises and Consents	25.00	SQ	25.00						25.00			
303.00 Miscellaneous Intangible Plant	15.00	SQ	15.00				15.00	SQ	15.00	5.81		
303.WO Misc. Intangible - WAPA Fiber Optic	23.00	SQ	23.00				23.00	SQ	23.00	17.50		
303.PC Misc. Intangible Plant - PC Software	5.00	SQ	5.00				5.00	SQ	5.00	2.48		
Total Amortizable									14.29	7.82		
Total Intangible Plant									19.05	13.25		
OTHER PRODUCTION PLANT												
341.00 Structures and Improvements	49.00	S6	49.00	29.50			49.00	S6	49.00	40.31		
342.00 Fuel Holders, Producers and Accessories	40.00	S4	40.00	32.63			40.00	S4	40.00	31.64	0.1	
343.00 Prime Movers	40.00	R3	40.00	26.17			40.00	R3	40.00	28.50		
344.00 Generators	43.00	S0	43.00	36.15			43.00	S0	43.00	38.26		
345.00 Accessory Electric Equipment	43.00	S6	43.00	29.39			43.00	S6	43.00	31.86		
346.00 Miscellaneous Power Plant Equipment	38.00	R1	38.00	33.34			38.00	R1	38.00	34.33		
Total Other Production Plant									41.42	32.23		
TRANSMISSION PLANT												
350.RW Rights of Way	50.00	SQ	50.00	31.35			50.00	SQ	50.00	28.60		
352.00 Structures and Improvements	33.00	R3	33.00	12.75			33.00	R3	33.00	21.76		
353.00 Station Equipment	32.00	R1	32.00	21.72			32.00	R1	32.00	20.52		
354.00 Towers and Fixtures	20.00	L0	20.00	15.92			20.00	L0	20.00	14.58		
355.00 Poles and Devices	25.00	S5	25.00	12.68	-9.9	-10.0	25.00	S5	25.00	15.76	-9.9	-10.0
356.00 Overhead Conductors and Devices	38.00	L3	38.00	23.85			38.00	L3	38.00	24.76		
358.00 Underground Conductors and Devices	22.00	SC	22.00				50.00	R4	50.00	47.50	-5.0	-5.0
359.00 Roads and Trails	50.00	SQ	50.00	35.18			50.00	SQ	50.00	32.18		
Total Transmission Plant									30.06	19.25	-3.7	-3.7
DISTRIBUTION PLANT												
360.RW Rights of Way	50.00	SQ	50.00	27.71			50.00	SQ	50.00	33.03		
361.00 Structures and Improvements	34.00	R4	34.00	25.54			34.00	R4	34.00	26.11	0.1	

UNS ELECTRIC, INC. (Excluding Black Mountain)

Current and Proposed Parameters
Broad Group Procedure

Statement E

Account Description	Current Parameters							Proposed Parameters						
	P-Life/ AYFR		Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR		Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
	B	C	D	E	F	G	H	I	J	K	L	M		
A														
362.00 Station Equipment	25.00	S4	25.00	11.54	-9.9	-10.0	25.00	S4	25.00	13.57	-9.7	-10.0		
364.00 Poles, Towers and Fixtures	27.00	S4	27.00	14.83	-9.8	-10.0	27.00	S4	27.00	13.80	-9.9	-10.0		
365.00 Overhead Conductors and Devices	27.00	S3	27.00	15.16	-9.8	-10.0	27.00	S3	27.00	15.12	-9.9	-10.0		
366.00 Underground Conduit	28.00	S2	26.00	18.66	-5.0	-5.0	28.00	S2	28.00	18.66	-5.0	-5.0		
367.00 Underground Conductors and Devices	23.00	S3	23.00	14.20	-5.0	-5.0	23.00	S3	23.00	15.52	-0.5	-5.0		
368.00 Line Transformers	23.00	S4	23.00	13.46	-5.0	-5.0	23.00	S4	23.00	13.82	-5.6	-5.0		
369.OH Services - Overhead	27.00	R5	27.00	14.43			27.00	R5	27.00	17.43				
369.UG Services - Underground	27.00	R5	27.00	16.26			27.00	R5	27.00	17.43				
370.00 Meters	34.00	R3	34.00	24.14	-4.8	-5.0	34.00	R3	34.00	25.56	-3.9	-5.0		
373.00 Street Lighting and Signal Systems	25.00	S4	25.00	16.64			25.00	S4	25.00	14.77	-5.7	-5.7		
Total Distribution Plant														
GENERAL PLANT														
Depreciable														
390.00 Structures and Improvements	38.00	R2	38.00	29.03			38.00	R2	38.00	27.19				
392.C1 Transportation Equipment - Class 1	8.00	L1.5	8.00	4.00			8.00	L1.5	8.00	5.76	4.0	10.0		
392.C2 Transportation Equipment - Class 2	6.00	L2	6.00	3.02			6.00	L2	6.00	3.65	7.7	10.0		
392.C3 Transportation Equipment - Class 3	5.00	S5	5.00	3.28			5.00	S5	5.00	2.41	5.2	10.0		
392.C4 Transportation Equipment - Class 4	8.00	S4	8.00	1.63			8.00	S4	8.00	3.11	3.3	10.0		
392.C5 Transportation Equipment - Class 5	8.00	S4	8.00	6.58			8.00	S4	8.00	5.62	10.0	10.0		
396.00 Power Operated Equipment	15.00	S5	15.00	5.16			15.00	S5	15.00	9.00				
Total Depreciable														
Amortizable														
391.10 Office Furniture and Equipment	21.00	SQ	21.00				21.00	SQ	21.00	8.70				
391.20 Computer Equipment - PCs	5.00	SQ	5.00				5.00	SQ	5.00	2.89				
393.00 Stores Equipment	33.00	SQ	33.00				33.00	SQ	33.00	12.68				
394.00 Tools, Shop and Garage Equipment	29.00	SQ	29.00				29.00	SQ	29.00	15.69				
395.00 Laboratory Equipment	40.00	SQ	40.00				40.00	SQ	40.00	28.70				
397.CE Communication Equipment	23.00	SQ	23.00				23.00	SQ	23.00	16.10				
398.00 Miscellaneous Equipment	18.00	SQ	18.00				18.00	SQ	18.00	6.22				
Total Amortizable														
Total General Plant														
TOTAL UTILITY														

Statements A through E

UNS ELECTRIC, INC. (Including Black Mountain)

Statement A

Comparison of Current and Proposed Accrual Rates

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description A	Current Rates (at 12/31/2008)			Proposed Rates (at 12/31/2008)		
	Investment B	Net Salvage C	Total D=B+C	Investment E	Net Salvage F	Total G=E+F
INTANGIBLE PLANT						
Depreciable						
303.WP Misc. Intangible - WAPA Switchboard	3.13%		3.13%	2.82%		2.82%
Total Depreciable	3.13%		3.13%	2.82%		2.82%
Amortizable						
302.00 Franchises and Consents	← 25 Year Amortization →					
303.00 Miscellaneous Intangible Plant	← 15 Year Amortization →			← 15 Year Amortization →		
303.WC Misc. Intangible - WAPA Fiber Optic	← 23 Year Amortization →			← 23 Year Amortization →		
303.PC Misc. Intangible Plant - PC Software	← 5 Year Amortization →			← 5 Year Amortization →		
Total Amortizable	7.00%		7.00%	7.00%		7.00%
Total Intangible Plant	5.25%		5.25%	5.11%		5.11%
OTHER PRODUCTION PLANT						
341.00 Structures and Improvements	2.35%		2.35%	2.36%		2.36%
342.00 Fuel Holders, Producers and Accessories	2.53%		2.53%	2.55%		2.55%
343.00 Prime Movers	2.53%		2.53%	2.53%		2.53%
344.00 Generators	2.54%		2.54%	2.58%		2.58%
345.00 Accessory Electric Equipment	2.52%		2.52%	2.55%		2.55%
346.00 Miscellaneous Power Plant Equipment	2.58%		2.58%	2.62%		2.62%
353.00 Station Equipment	3.13%		3.13%	2.62%		2.62%
Total Other Production Plant	2.55%		2.55%	2.56%		2.56%
TRANSMISSION PLANT						
350.RW Rights of Way	2.02%		2.02%	1.91%		1.91%
352.00 Structures and Improvements	3.13%		3.13%	2.93%		2.93%
353.00 Station Equipment	3.15%		3.15%	3.02%		3.02%
354.00 Towers and Fixtures	5.03%		5.03%	4.89%		4.89%
355.00 Poles and Fixtures	4.08%	0.40%	4.48%	3.86%	0.38%	4.24%
356.00 Overhead Conductors and Devices	2.66%		2.66%	2.55%		2.55%
358.00 Underground Conductors and Devices	4.36%		4.36%	1.99%	0.10%	2.09%
359.00 Roads and Trails	2.02%		2.02%	1.93%		1.93%
Total Transmission Plant	3.38%	0.15%	3.52%	3.22%	0.14%	3.36%
DISTRIBUTION PLANT						
360.RW Rights of Way	2.03%		2.03%	1.95%		1.95%
361.00 Structures and Improvements	2.96%		2.96%	2.90%		2.90%
362.00 Station Equipment	4.09%		4.09%	3.84%		3.84%
364.00 Poles, Towers and Fixtures	3.76%	0.38%	4.14%	3.54%	0.34%	3.88%
365.00 Overhead Conductors and Devices	3.76%	0.37%	4.13%	3.57%	0.35%	3.92%
366.00 Underground Conduit	3.61%	0.18%	3.79%	3.49%	0.17%	3.66%
367.00 Underground Conductors and Devices	4.40%		4.40%	4.25%	0.02%	4.27%
368.00 Line Transformers	4.41%	0.22%	4.63%	4.21%	0.24%	4.45%
369.OH Services - Overhead	3.77%		3.77%	3.54%		3.54%
369.UG Services - Underground	3.75%		3.75%	3.61%		3.61%
370.00 Meters	2.96%	0.15%	3.11%	2.90%	0.11%	3.01%
373.00 Street Lighting and Signal Systems	4.04%		4.04%	3.87%		3.87%
Total Distribution Plant	3.95%	0.22%	4.17%	3.76%	0.21%	3.97%
GENERAL PLANT						
Depreciable						
390.00 Structures and Improvements	2.65%		2.65%	2.60%		2.60%
392.C1 Transportation Equipment - Class 1	12.75%		12.75%	12.35%	-0.46%	11.89%
392.C2 Transportation Equipment - Class 2	16.99%		16.99%	16.33%	-1.24%	15.09%
392.C3 Transportation Equipment - Class 3	20.21%		20.21%	19.32%	-0.94%	18.38%
392.C4 Transportation Equipment - Class 4	13.47%		13.47%	11.88%	-0.32%	11.56%
392.C5 Transportation Equipment - Class 5	12.55%		12.55%	12.33%	-1.23%	11.10%
398.00 Power Operated Equipment	6.92%		6.92%	6.53%		6.53%
Total Depreciable	11.04%		11.04%	10.56%	-0.68%	9.87%

UNS ELECTRIC, INC. (Including Black Mountain)

Statement A

Comparison of Current and Proposed Accrual Rates

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description A	Current Rates (at 12/31/2008)			Proposed Rates (at 12/31/2008)		
	Investment B	Net Salvage C	Total D=B+C	Investment E	Net Salvage F	Total G=E+F
Amortizable						
391.10 Office Furniture and Equipment	← 21 Year Amortization →			← 21 Year Amortization →		
391.20 Computer Equipment - PCs	← 5 Year Amortization →			← 5 Year Amortization →		
393.00 Stores Equipment	← 33 Year Amortization →			← 33 Year Amortization →		
394.00 Tools, Shop and Garage Equipment	← 29 Year Amortization →			← 29 Year Amortization →		
395.00 Laboratory Equipment	← 40 Year Amortization →			← 40 Year Amortization →		
397.CE Communication Equipment	← 23 Year Amortization →			← 23 Year Amortization →		
398.00 Miscellaneous Equipment	← 18 Year Amortization →			← 18 Year Amortization →		
Total Amortizable	5.04%		5.04%	5.04%		5.04%
Total General Plant	8.73%		8.73%	8.43%	-0.42%	8.01%
TOTAL UTILITY	3.88%	0.16%	4.04%	3.72%	0.13%	3.85%
OTHER PRODUCTION PLANT						
Nogales						
341.00 Structures and Improvements	2.07%		2.07%	2.05%		2.05%
342.00 Fuel Holders, Producers and Accessories	2.51%		2.51%	2.52%		2.52%
343.00 Prime Movers	2.53%		2.53%	2.53%		2.53%
344.00 Generators	2.33%		2.33%	2.33%		2.33%
345.00 Accessory Electric Equipment	2.35%		2.35%	2.35%		2.35%
346.00 Miscellaneous Power Plant Equipment	2.64%		2.64%	2.64%		2.64%
353.00 Station Equipment						
Total Nogales	2.44%		2.44%	2.43%		2.43%
Black Mountain						
341.00 Structures and Improvements	2.57%		2.57%	2.62%		2.62%
342.00 Fuel Holders, Producers and Accessories	2.57%		2.57%	2.62%		2.62%
343.00 Prime Movers						
344.00 Generators	2.57%		2.57%	2.62%		2.62%
345.00 Accessory Electric Equipment	2.57%		2.57%	2.62%		2.62%
346.00 Miscellaneous Power Plant Equipment	2.57%		2.57%	2.62%		2.62%
353.00 Station Equipment	3.13%		3.13%	2.62%		2.62%
Total Black Mountain	2.60%		2.60%	2.62%		2.62%

UNS ELECTRIC, INC. (Including Black Mountain)

Comparison of Current and Proposed Accruals

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description	12/31/08 Investment B	Current 2009 Annualized Accrual		Proposed 2009 Annualized Accrual		Difference
		Investment C	Total D	Investment F	Total H=F+G	
A						
INTANGIBLE PLANT						
Depreciable						
3303.WP Misc. Intangible - WAPA Switchboard	\$3,466,688	\$108,507		\$97,761		(\$10,746)
Total Depreciable	\$3,466,688	\$108,507		\$97,761		(\$10,746)
Amortizable						
302.00 Franchises and Consents	2,124,607	141,711		141,499		(212)
3303.00 Miscellaneous Intangible Plant	1,685,000	73,298		73,298		
3303.WC Misc. Intangible - WAPA Fiber Optic	398,194	79,639		79,758		119
3303.PC Misc.Intangible Plant - PC Software	\$4,207,801	\$294,648		\$294,555		(\$93)
Total Amortizable	\$7,674,489	\$403,155		\$392,316		(\$10,839)
Total Intangible Plant						
OTHER PRODUCTION PLANT						
341.00 Structures and Improvements	\$4,399,915	\$103,231		\$104,052		\$821
342.00 Fuel Holders, Producers and Accessories	1,168,031	29,510		29,755		245
343.00 Prime Movers	13,419,272	339,508		339,508		
344.00 Generators	44,807,494	1,136,422		1,155,673		19,251
345.00 Accessory Electric Equipment	10,401,458	261,788		265,732		3,944
346.00 Miscellaneous Power Plant Equipment	10,682,020	275,459		280,135		4,676
353.00 Station Equipment	3,558,978	111,396		93,245		(18,151)
Total Other Production Plant	\$88,437,168	\$2,257,314		\$2,268,100		\$10,786
TRANSMISSION PLANT						
350.RW Rights of Way	\$346,016	\$6,990		\$6,609		(\$381)
352.00 Structures and Improvements	427,830	13,391		12,535		(856)
353.00 Station Equipment	18,912,564	595,746		571,159		(24,587)
354.00 Towers and Fixtures	521,825	26,248		25,517		(731)
355.00 Poles and Fixtures	20,666,171	843,180	82,665	797,714	78,531	(49,600)
356.00 Overhead Conductors and Devices	14,516,855	386,148		370,180		(15,968)
358.00 Underground Conductors and Devices	27,437	1,196		546	27	(623)
359.00 Roads and Trails	183,860	3,714		3,548		(166)
Total Transmission Plant	\$55,602,558	\$1,876,613	\$82,665	\$1,787,808	\$78,558	(\$92,912)

UNS ELECTRIC, INC. (Including Black Mountain)

Statement B

Comparison of Current and Proposed Accruals

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description A	12/31/08 Investment B	Current 2009 Annualized Accrual C			Proposed 2009 Annualized Accrual F			Difference H-E
		Investment	Net Salvage	Total E=C+D	Investment	Net Salvage	Total H=F+G	
DISTRIBUTION PLANT								
360.RW Rights of Way	\$133,365	\$2,707		\$2,707	\$2,601		\$2,601	(\$106)
361.00 Structures and Improvements	5,690,805	168,448		168,448	165,033		165,033	(3,415)
362.00 Station Equipment	39,478,232	1,614,660		1,614,660	1,515,964		1,515,964	(98,696)
364.00 Poles, Towers and Fixtures	85,011,451	3,196,431	323,044	3,519,475	3,009,405	289,039	3,298,444	(221,031)
365.00 Overhead Conductors and Devices	58,978,060	2,217,575	218,219	2,435,794	2,105,517	206,423	2,311,940	(123,854)
366.00 Underground Conduit	16,265,133	587,171	29,277	616,448	567,653	27,651	595,304	(21,144)
367.00 Underground Conductors and Devices	37,799,476	1,663,177		1,663,177	1,606,478	7,560	1,614,038	(49,139)
368.00 Line Transformers	61,999,842	2,734,193	136,400	2,870,593	2,610,193	148,800	2,758,993	(111,600)
369.OH Services - Overhead	8,523,830	321,348		321,348	301,744		301,744	(19,604)
369.UG Services - Underground	4,877,076	182,890		182,890	176,062		176,062	(6,828)
370.00 Meters	9,135,761	270,419	13,704	284,123	264,937	10,049	274,986	(9,137)
373.00 Street Lighting and Signal Systems	4,107,216	165,932		165,932	158,949		158,949	(6,983)
Total Distribution Plant	\$332,000,247	\$13,124,951	\$720,644	\$13,845,595	\$12,484,536	\$689,522	\$13,174,058	(\$671,537)
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$2,611,428	\$69,203		\$69,203	\$67,897		\$67,897	(\$1,306)
392.C1 Transportation Equipment - Class 1	147,553	18,813		18,813	18,223	(679)	17,544	(1,269)
392.C2 Transportation Equipment - Class 2	1,260,656	214,185		214,185	205,865	(15,632)	190,233	(23,952)
392.C3 Transportation Equipment - Class 3	1,056,586	213,536		213,536	204,132	(9,932)	194,200	(19,336)
392.C4 Transportation Equipment - Class 4	1,834,288	247,079		247,079	217,913	(5,870)	212,043	(35,036)
392.C5 Transportation Equipment - Class 5	5,144,272	645,606		645,606	634,289	(63,275)	571,014	(74,592)
396.00 Power Operated Equipment	1,879,460	130,059		130,059	122,729		122,729	(7,330)
Total Depreciable	\$13,934,243	\$1,535,481		\$1,535,481	\$1,471,048	(\$95,388)	\$1,375,660	(\$162,821)
Amortizable								
391.10 Office Furniture and Equipment	\$1,574,954	\$74,968		\$74,968	\$74,968		\$74,968	
391.20 Computer Equipment - PCs	670,109	134,022		134,022	134,089		134,089	67
393.00 Stores Equipment	118,860	3,601		3,601	3,601		3,601	
394.00 Tools, Shop and Garage Equipment	2,666,594	91,997		91,997	91,997		91,997	
395.00 Laboratory Equipment	1,430,916	35,773		35,773	35,773		35,773	
397.CE Communication Equipment	2,175,606	94,639		94,639	94,639		94,639	
398.00 Miscellaneous Equipment	124,227	6,907		6,907	6,895		6,895	(12)
Total Amortizable	\$8,761,266	\$441,907		\$441,907	\$441,962		\$441,962	\$55
Total General Plant	\$22,695,509	\$1,980,388		\$1,980,388	\$1,913,010	(\$95,388)	\$1,817,622	(\$162,766)
TOTAL UTILITY	\$506,409,971	\$19,642,421	\$803,309	\$20,445,730	\$18,845,770	\$672,692	\$19,518,462	(\$927,268)

UNS ELECTRIC, INC. (Including Black Mountain)

Comparison of Current and Proposed Accruals

Current: BG Procedure / RL Technique

Proposed: BG Procedure / RL Technique

Account Description A	12/31/08 Investment B	Current 2009 Annualized Accrual C		Proposed 2009 Annualized Accrual F		Difference I=H-E
		Investment C	Net Salvage D	Investment F	Net Salvage G	
OTHER PRODUCTION PLANT						
Nogales						
341.00 Structures and Improvements	\$1,969,407	\$40,767		\$40,767	\$40,373	(\$394)
342.00 Fuel Holders, Producers and Accessories	847,308	21,267		21,267	21,352	85
343.00 Prime Movers	13,419,272	339,508		339,508	339,508	
344.00 Generators	6,304,468	146,894		146,894	146,894	
345.00 Accessory Electric Equipment	2,513,408	59,065		59,065	59,065	
346.00 Miscellaneous Power Plant Equipment	1,329,274	35,093		35,093	35,093	
353.00 Station Equipment						
Total Nogales	\$26,383,137	\$642,594		\$642,285	\$642,285	(\$309)
Black Mountain						
341.00 Structures and Improvements	\$2,430,508	\$62,464		\$63,679	\$63,679	\$1,215
342.00 Fuel Holders, Producers and Accessories	320,723	8,243		8,403	8,403	160
343.00 Prime Movers						
344.00 Generators	38,503,026	989,528		1,008,779	1,008,779	19,251
345.00 Accessory Electric Equipment	7,888,050	202,723		206,667	206,667	3,944
346.00 Miscellaneous Power Plant Equipment	9,352,746	240,366		245,042	245,042	4,676
353.00 Station Equipment	3,558,978	111,396		93,245	93,245	(18,151)
Total Black Mountain	\$62,054,031	\$1,614,720		\$1,625,815	\$1,625,815	\$11,095

UNS ELECTRIC, INC. (Including Black Mountain)

Depreciation Reserve Summary
Broad Group Procedure
December 31, 2008

Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Redistributed Reserve	
		Amount	Ratio	Amount	Ratio	Amount	Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
INTANGIBLE PLANT							
Depreciable							
303.WP Misc. Intangible - WAPA Switchboard	\$3,466,688	\$502,351	14.49%	\$431,169	12.44%	\$722,638	20.85%
Total Depreciable	\$3,466,688	\$502,351	14.49%	\$431,169	12.44%	\$722,638	20.85%
Amortizable							
302.00 Franchises and Consents		(\$113)					
303.00 Miscellaneous Intangible Plant	2,124,607	965,818	45.46%	1,302,255	61.29%	1,302,255	61.29%
303.WC Misc. Intangible - WAPA Fiber Optic	1,685,000	394,086	23.39%	402,935	23.91%	402,935	23.91%
303.PC Misc.Intangible Plant - PC Software	398,194	766,040	192.38%	200,354	50.32%	200,354	50.32%
Total Amortizable	\$4,207,801	\$2,125,831	50.52%	\$1,905,544	45.29%	\$1,905,544	45.29%
Total Intangible Plant	\$7,674,489	\$2,628,182	34.25%	\$2,336,713	30.45%	\$2,628,182	34.25%
OTHER PRODUCTION PLANT							
341.00 Structures and Improvements	\$4,399,915	\$361,518	8.22%	\$378,051	8.59%	\$378,558	8.60%
342.00 Fuel Holders, Producers and Accessories	1,168,031	178,743	15.30%	180,885	15.49%	177,112	15.16%
343.00 Prime Movers	13,419,272	3,848,955	28.68%	3,867,602	28.82%	3,754,230	27.98%
344.00 Generators	44,807,494	1,154,525	2.58%	1,150,915	2.57%	1,300,770	2.90%
345.00 Accessory Electric Equipment	10,401,458	809,265	7.78%	744,559	7.16%	760,346	7.31%
346.00 Miscellaneous Power Plant Equipment	10,682,020	282,991	2.65%	239,136	2.24%	276,723	2.59%
353.00 Station Equipment	3,558,978	69,623	1.96%	42,146	1.18%	57,880	1.63%
Total Other Production Plant	\$88,437,168	\$6,705,619	7.58%	\$6,603,294	7.47%	\$6,705,619	7.58%
TRANSMISSION PLANT							
350.RW Rights of Way	\$346,016	\$130,587	37.74%	\$148,095	42.80%	\$157,153	45.42%
352.00 Structures and Improvements	427,830	157,831	36.89%	145,721	34.06%	154,634	36.14%
353.00 Station Equipment	18,912,564	7,219,008	38.17%	6,784,882	35.88%	7,199,854	38.07%
354.00 Towers and Fixtures	521,825	171,132	32.79%	141,415	27.10%	150,064	28.76%
355.00 Poles and Fixtures	20,666,171	9,143,150	44.24%	8,415,066	40.72%	8,929,742	43.21%
356.00 Overhead Conductors and Devices	14,516,855	5,141,109	35.41%	5,057,978	34.84%	5,367,330	36.97%
358.00 Underground Conductors and Devices	27,437	2,509	9.14%	1,440	5.25%	1,529	5.57%
359.00 Roads and Trails	183,860	64,515	35.09%	65,528	35.64%	69,535	37.82%
Total Transmission Plant	\$55,602,558	\$22,029,840	39.62%	\$20,760,126	37.34%	\$22,029,840	39.62%

UNS ELECTRIC, INC. (Including Black Mountain)

Depreciation Reserve Summary
Broad Group Procedure
December 31, 2008

Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Redistributed Reserve	
		Amount	Ratio	Amount	Ratio	Amount	Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
DISTRIBUTION PLANT							
360.RW Rights of Way	\$133,365	\$39,430	29.57%	\$45,264	33.94%	\$47,397	35.54%
361.00 Structures and Improvements	5,690,805	1,317,861	23.16%	1,324,972	23.28%	1,387,406	24.38%
362.00 Station Equipment	39,478,232	19,358,765	49.04%	18,049,448	45.72%	18,899,960	47.87%
364.00 Poles, Towers and Fixtures	85,011,451	46,789,344	55.04%	45,847,620	53.93%	48,008,017	56.47%
365.00 Overhead Conductors and Devices	58,978,060	29,819,099	50.56%	28,578,409	48.46%	29,925,059	50.74%
366.00 Underground Conduit	16,265,133	6,047,350	37.18%	5,696,863	35.03%	5,965,306	36.68%
367.00 Underground Conductors and Devices	37,799,476	13,688,605	36.21%	12,165,515	32.18%	12,738,769	33.70%
368.00 Line Transformers	61,999,842	27,707,134	44.69%	25,759,802	41.55%	26,973,636	43.51%
369.OH Services - Overhead	8,523,830	4,334,332	50.85%	4,160,892	48.81%	4,356,958	51.12%
369.UG Services - Underground	4,877,076	1,792,586	36.76%	1,728,652	35.44%	1,810,109	37.11%
370.00 Meters	9,135,761	2,597,445	28.43%	2,456,757	26.89%	2,572,522	28.16%
373.00 Street Lighting and Signal Systems	4,107,216	953,055	23.20%	1,680,673	40.92%	1,759,868	42.85%
Total Distribution Plant	\$332,000,247	\$154,445,006	46.52%	\$147,494,866	44.43%	\$154,445,006	46.52%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	\$2,611,428	\$791,938	30.33%	\$742,883	28.45%	\$766,274	29.34%
392.C1 Transportation Equipment - Class 1	147,553	(112,095)	-75.97%	30,809	20.88%	31,779	21.54%
392.C2 Transportation Equipment - Class 2	1,260,656	725,367	57.54%	426,743	33.85%	440,180	34.92%
392.C3 Transportation Equipment - Class 3	1,056,586	206,593	19.55%	468,135	44.31%	482,876	45.70%
392.C4 Transportation Equipment - Class 4	1,834,288	636,632	34.71%	961,311	52.41%	991,581	54.06%
392.C5 Transportation Equipment - Class 5	5,144,272	1,487,865	28.92%	1,377,379	26.78%	1,420,749	27.62%
396.00 Power Operated Equipment	1,879,460	806,510	42.91%	751,784	40.00%	775,456	41.26%
Total Depreciable	\$13,934,243	\$4,542,811	32.60%	\$4,759,044	34.15%	\$4,908,895	35.23%

UNS ELECTRIC, INC. (Including Black Mountain)

Depreciation Reserve Summary

Broad Group Procedure

December 31, 2008

Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Redistributed Reserve	
		Amount	Ratio	Amount	Ratio	Amount	Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
Amortizable							
391.10 Office Furniture and Equipment	\$1,574,954	\$916,754	58.21%	\$922,258	58.56%	\$922,258	58.56%
391.20 Computer Equipment - PCs	670,109	685,432	102.29%	282,605	42.17%	282,605	42.17%
393.00 Stores Equipment	118,860	72,313	60.84%	73,180	61.57%	73,180	61.57%
394.00 Tools, Shop and Garage Equipment	2,666,594	1,207,347	45.28%	1,223,799	45.89%	1,223,799	45.89%
395.00 Laboratory Equipment	1,430,916	399,491	27.92%	404,062	28.24%	404,062	28.24%
397.CE Communication Equipment	2,175,606	642,499	29.53%	652,804	30.01%	652,804	30.01%
398.00 Miscellaneous Equipment	124,227	82,263	66.22%	81,306	65.45%	81,306	65.45%
Total Amortizable	\$8,761,266	\$4,006,099	45.73%	\$3,640,014	41.55%	\$3,640,014	41.55%
Total General Plant	\$22,695,509	\$8,548,909	37.67%	\$8,399,058	37.01%	\$8,548,909	37.67%
TOTAL UTILITY	\$506,409,971	\$194,357,557	38.38%	\$185,594,056	36.65%	\$194,357,557	38.38%
OTHER PRODUCTION PLANT							
Nogales							
341.00 Structures and Improvements	\$1,969,407	\$322,478	16.37%	\$349,268	17.73%	\$339,030	17.21%
342.00 Fuel Holders, Producers and Accessories	847,308	173,591	20.49%	177,087	20.90%	171,896	20.29%
343.00 Prime Movers	13,419,272	3,848,955	28.68%	3,867,602	28.82%	3,754,230	27.98%
344.00 Generators	6,304,468	536,070	8.50%	694,958	11.02%	674,586	10.70%
345.00 Accessory Electric Equipment	2,513,408	682,563	27.16%	651,148	25.91%	632,061	25.15%
346.00 Miscellaneous Power Plant Equipment	1,329,274	132,763	9.99%	128,380	9.66%	124,617	9.37%
353.00 Station Equipment							
Total Nogales	\$26,383,137	\$5,696,420	21.59%	\$5,868,443	22.24%	\$5,696,420	21.59%
Black Mountain							
341.00 Structures and Improvements	\$2,430,508	\$39,040	1.61%	\$28,782	1.18%	\$39,528	1.63%
342.00 Fuel Holders, Producers and Accessories	320,723	5,152	1.61%	3,798	1.18%	5,216	1.63%
343.00 Prime Movers							
344.00 Generators	38,503,026	618,455	1.61%	455,957	1.18%	626,184	1.63%
345.00 Accessory Electric Equipment	7,888,050	126,702	1.61%	93,411	1.18%	128,285	1.63%
346.00 Miscellaneous Power Plant Equipment	9,352,746	150,228	1.61%	110,756	1.18%	152,106	1.63%
353.00 Station Equipment	3,558,978	69,623	1.96%	42,146	1.18%	57,880	1.63%
Total Black Mountain	\$62,054,031	\$1,009,199	1.63%	\$734,850	1.18%	\$1,009,199	1.63%

UNS ELECTRIC, INC. (Including Black Mountain)

Average Net Salvage

Statement D

Account Description A	Additions B	Plant Investment		Survivors D-B-C	Salvage Rate		Net Salvage		Average Rate J-I/B
		Retirements C	Future F		Realized E	Future G-E*F	Future H-F*D	Total I-G+H	
INTANGIBLE PLANT									
Depreciable									
303.WP Misc. Intangible - WAPA Switchboard	\$3,466,688			\$3,466,688					
Total Depreciable	\$3,466,688			\$3,466,688					
Amortizable									
302.00 Franchises and Consents	4,219,099	2,094,492		2,124,607					
303.00 Miscellaneous Intangible Plant	1,685,000			1,685,000					
303.WC Misc. Intangible - WAPA Fiber Optic	1,543,417	1,145,223		398,194					
303.PC Misc. Intangible Plant - PC Software	\$7,447,516	\$3,239,715		\$4,207,801					
Total Amortizable	\$10,914,204	\$3,239,715		\$7,674,489					
Total Intangible Plant									
OTHER PRODUCTION PLANT									
341.00 Structures and Improvements	\$4,399,915			\$4,399,915					
342.00 Fuel Holders, Producers and Accessories	1,168,031			1,168,031					
343.00 Prime Movers	15,442,734	2,023,462		13,419,272	0.5%	10,117		10,117	0.1%
344.00 Generators	44,855,094	47,600		44,807,494					
345.00 Accessory Electric Equipment	10,620,796	219,338		10,401,458					
346.00 Miscellaneous Power Plant Equipment	10,691,639	9,619		10,682,020					
353.00 Station Equipment	3,558,978			3,558,978					
Total Other Production Plant	\$90,737,187	\$2,300,019		\$88,437,168	0.4%	\$10,117		\$10,117	
TRANSMISSION PLANT									
350.RW Rights of Way	\$346,016			\$346,016					
352.00 Structures and Improvements	427,830			427,830					
353.00 Station Equipment	18,952,043	39,479		18,912,564					
354.00 Towers and Fixtures	521,825			521,825					
355.00 Poles and Fixtures	20,774,416	108,245		20,666,171	-10.0%	(2,066,617)	(2,066,617)		-9.9%
356.00 Overhead Conductors and Devices	14,538,514	21,659		14,516,855					
358.00 Underground Conductors and Devices	27,437			27,437	-5.0%	(1,372)	(1,372)		-5.0%
359.00 Roads and Trails	183,860			183,860					
Total Transmission Plant	\$55,771,941	\$169,383		\$55,602,558	-3.7%	(\$2,067,989)	(\$2,067,989)		-3.7%

UNS ELECTRIC, INC. (Including Black Mountain)

Average Net Salvage

Statement D

Account Description A	Additions B	Plant Investment Retirements C	Survivors D-B-C	Salvage Rate		Net Salvage Future H-F-D	Total I-G+H	Average Rate J-I/B
				Realized E	Future F			
DISTRIBUTION PLANT								
360.RW Rights of Way	\$133,365		\$133,365	31.7%		7,643	7,643	0.1%
361.00 Structures and Improvements	5,714,916	24,111	5,690,805	1.8%		7,246	7,246	
362.00 Station Equipment	39,880,772	402,540	39,478,232	16.8%	-10.0%	(8,313,744)	(8,313,744)	-9.7%
364.00 Poles, Towers and Fixtures	86,126,933	1,115,482	85,011,451	-4.7%	-10.0%	(5,897,806)	(5,953,644)	-9.9%
365.00 Overhead Conductors and Devices	60,166,110	1,188,050	58,978,060	0.1%	-5.0%	(813,148)	(813,148)	-5.0%
366.00 Underground Conduit	16,373,456	108,323	16,265,133	-57.2%		(190,057)	(190,057)	-0.5%
367.00 Underground Conductors and Devices	38,131,743	332,267	37,799,476	-28.2%	-5.0%	(3,099,992)	(3,563,023)	-5.6%
368.00 Line Transformers	63,641,794	1,641,952	61,999,842					
369.OH Services - Overhead	8,524,159	329	8,523,830					
369.UG Services - Underground	4,877,076		4,877,076					
370.00 Meters	11,382,119	2,246,358	9,135,761	0.6%	-5.0%	(443,310)	(443,310)	-3.9%
373.00 Street Lighting and Signal Systems	4,177,865	70,649	4,107,216	-2.0%		(1,413)	(1,413)	
Total Distribution Plant	\$339,130,308	\$7,130,061	\$332,000,247	-6.9%	-5.7%	(\$18,788,988)	(\$19,263,450)	-5.7%
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$2,611,433	\$5	\$2,611,428	1.8%	10.0%	14,755	21,822	4.0%
392.C1 Transportation Equipment - Class 1	540,174	392,621	147,553	3.7%	10.0%	126,066	153,022	7.7%
392.C2 Transportation Equipment - Class 2	1,989,217	728,561	1,260,656	1.9%	10.0%	105,659	135,540	5.2%
392.C3 Transportation Equipment - Class 3	2,629,311	1,572,725	1,056,586	0.1%	10.0%	183,429	187,312	3.3%
392.C4 Transportation Equipment - Class 4	5,717,123	3,882,835	1,834,288		10.0%	514,427	514,427	10.0%
392.C5 Transportation Equipment - Class 5	5,144,272		5,144,272					
396.00 Power Operated Equipment	1,900,656	21,195	1,879,460	1.0%	6.8%	\$67,789	\$1,012,124	4.9%
Total Depreciable	\$20,532,186	\$6,597,943	\$13,934,243			\$944,336	\$1,012,124	
Amortizable								
391.10 Office Furniture and Equipment	\$5,389,368	\$3,814,414	\$1,574,954					
391.20 Computer Equipment - PCs	1,543,448	873,339	670,109					
393.00 Stores Equipment	125,241	6,381	118,860					
394.00 Tools, Shop and Garage Equipment	2,864,920	198,326	2,666,594					
395.00 Laboratory Equipment	1,488,136	57,220	1,430,916					
397.CE Communication Equipment	2,295,578	119,972	2,175,606					
398.00 Miscellaneous Equipment	149,698	25,471	124,227					
Total Amortizable	\$13,856,389	\$5,095,123	\$8,761,266					
Total General Plant	\$34,388,575	\$11,693,066	\$22,695,509	0.6%	4.2%	\$67,789	\$1,012,124	2.9%
TOTAL UTILITY	\$530,942,215	\$24,532,244	\$506,409,971	-1.7%	-3.9%	(\$416,556)	(\$20,309,198)	-3.8%

UNS ELECTRIC, INC. (Including Black Mountain)

Average Net Salvage

Statement D

Account Description A	Plant Investment		Survivors D=B-C	Salvage Rate		Net Salvage		Average Rate J=I/B
	Additions B	Retirements C		Realized E	Future F	Realized G=E-C	Future H=F-D	
OTHER PRODUCTION PLANT								
Nogales								
341.00 Structures and Improvements	\$1,969,407		\$1,969,407					
342.00 Fuel Holders, Producers and Accessories	847,308		847,308					
343.00 Prime Movers	15,442,734	2,023,462	13,419,272	0.5%		10,117	10,117	0.1%
344.00 Generators	6,352,068	47,600	6,304,468					
345.00 Accessory Electric Equipment	2,732,746	219,338	2,513,408					
346.00 Miscellaneous Power Plant Equipment	1,338,893	9,619	1,329,274					
353.00 Station Equipment								
Total Nogales	\$28,683,156	\$2,300,019	\$26,383,137	0.4%		\$10,117	\$10,117	
Black Mountain								
341.00 Structures and Improvements	\$2,430,508		\$2,430,508					
342.00 Fuel Holders, Producers and Accessories	320,723		320,723					
343.00 Prime Movers								
344.00 Generators	38,503,026		38,503,026					
345.00 Accessory Electric Equipment	7,888,050		7,888,050					
346.00 Miscellaneous Power Plant Equipment	9,352,746		9,352,746					
353.00 Station Equipment	3,558,978		3,558,978					
Total Black Mountain	\$62,054,031		\$62,054,031					

UNS ELECTRIC, INC. (Including Black Mountain)

Current and Proposed Parameters
Broad Group Procedure

Statement E

Account Description	Current Parameters						Proposed Parameters									
	P-Life/ AYFR		Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR		Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.		
	B	C	D	E	F	G	H	I	J	K	L	M				
INTANGIBLE PLANT																
Depreciable																
303.WP Misc. Intangible - WAPA Switchboard	32.00	R1	32.00	30.16			32.00	R1	32.00	28.02	32.00	28.02				
Total Depreciable									32.00		32.00	28.02				
Amortizable																
302.00 Franchises and Consents	25.00	SQ	25.00						25.00		25.00		5.81			
303.00 Miscellaneous Intangible Plant	15.00	SQ	15.00				15.00	SQ	15.00		15.00	5.81				
303.WO Misc. Intangible - WAPA Fiber Optic	23.00	SQ	23.00				23.00	SQ	23.00		23.00	17.50				
303.PC Misc.Intangible Plant - PC Software	5.00	SQ	5.00				5.00	SQ	5.00		5.00	2.48				
Total Amortizable									14.29		14.29	7.82				
Total Intangible Plant									19.05		19.05	13.25				
OTHER PRODUCTION PLANT																
341.00 Structures and Improvements									42.24		42.24	38.62				
342.00 Fuel Holders, Producers and Accessories									39.43		39.43	33.32	0.1			
343.00 Prime Movers									40.00		40.00	28.50				
344.00 Generators									38.63		38.63	37.64				
345.00 Accessory Electric Equipment									39.10		39.10	36.30				
346.00 Miscellaneous Power Plant Equipment									38.00		38.00	37.15				
353.00 Station Equipment									38.00		38.00	37.55				
Total Other Production Plant									38.96		38.96	36.06				
TRANSMISSION PLANT																
350.RW Rights of Way	50.00	SQ	50.00	31.35			50.00	SQ	50.00		50.00	28.60				
352.00 Structures and Improvements	33.00	R3	33.00	12.75			33.00	R3	33.00		33.00	21.76				
353.00 Station Equipment	32.00	R1	32.00	21.72			32.00	R1	32.00		32.00	20.52				
354.00 Towers and Fixtures	20.00	L0	20.00	15.92			20.00	L0	20.00		20.00	14.58				
355.00 Poles and Fixtures	25.00	S5	25.00	12.68	-9.9	-10.0	25.00	S5	25.00		25.00	15.76	-9.9	-10.0		
356.00 Overhead Conductors and Devices	38.00	L3	38.00	23.85			38.00	L3	38.00		38.00	24.76				
358.00 Underground Conductors and Devices	22.00	SC	22.00				50.00	R4	50.00		50.00	47.50	-5.0	-5.0		
359.00 Roads and Trails	50.00	SQ	50.00	35.18			50.00	SQ	50.00		50.00	32.18				
Total Transmission Plant									30.06		30.06	19.25	-3.7	-3.7		

UNS ELECTRIC, INC. (Including Black Mountain)

Current and Proposed Parameters
Broad Group Procedure

Statement E

Account Description	Current Parameters						Proposed Parameters									
	P-Life/ AYFR		Curve Shape	BG	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR		Curve Shape	BG	Rem. Life	Avg. Sal.	Fut. Sal.		
	B	C	D	E	F	G	H	I	J	K	L	M				
DISTRIBUTION PLANT																
360.RW Rights of Way	50.00	SQ	50.00	27.71			50.00	SQ	50.00	33.03						
361.00 Structures and Improvements	34.00	R4	34.00	25.54			34.00	R4	34.00	26.11	0.1					
362.00 Station Equipment	25.00	S4	25.00	11.54			25.00	S4	25.00	13.57						
364.00 Poles, Towers and Fixtures	27.00	S4	27.00	14.83	-9.9	-10.0	27.00	S4	27.00	13.80	-9.7	-10.0				
365.00 Overhead Conductors and Devices	27.00	S3	27.00	15.16	-9.8	-10.0	27.00	S3	27.00	15.12	-9.9	-10.0				
366.00 Underground Conduit	28.00	S2	26.00	18.66	-5.0	-5.0	28.00	S2	28.00	18.66	-5.0	-5.0				
367.00 Underground Conductors and Devices	23.00	S3	23.00	14.20			23.00	S3	23.00	15.52	-0.5	-5.0				
368.00 Line Transformers	23.00	S4	23.00	13.46	-5.0	-5.0	23.00	S4	23.00	13.82	-5.6	-5.0				
369.OH Services - Overhead	27.00	R5	27.00	14.43			27.00	R5	27.00	17.43						
369.UG Services - Underground	27.00	R5	27.00	16.26			27.00	R5	27.00	17.43						
370.00 Meters	34.00	R3	34.00	24.14	-4.8	-5.0	34.00	R3	34.00	25.56	-3.9	-5.0				
373.00 Street Lighting and Signal Systems	25.00	S4	25.00	16.64			25.00	S4	25.00	14.77						
Total Distribution Plant																
									25.67	14.91	-5.7	-5.7				
GENERAL PLANT																
Depreciable																
390.00 Structures and Improvements	38.00	R2	38.00	29.03			38.00	R2	38.00	27.19						
392.C1 Transportation Equipment - Class 1	8.00	L1.5	8.00	4.00			8.00	L1.5	8.00	5.76	4.0	10.0				
392.C2 Transportation Equipment - Class 2	6.00	L2	6.00	3.02			6.00	L2	6.00	3.65	7.7	10.0				
392.C3 Transportation Equipment - Class 3	5.00	S5	5.00	3.28			5.00	S5	5.00	2.41	5.2	10.0				
392.C4 Transportation Equipment - Class 4	8.00	S4	8.00	1.63			8.00	S4	8.00	3.11	3.3	10.0				
392.C5 Transportation Equipment - Class 5	8.00	S4	8.00	6.58			8.00	S4	8.00	5.62	10.0	10.0				
396.00 Power Operated Equipment	15.00	S5	15.00	5.16			15.00	S5	15.00	9.00						
Total Depreciable																
									9.25	5.78	4.9	6.8				

UNS ELECTRIC, INC. (Including Black Mountain)

Current and Proposed Parameters
Broad Group Procedure

Statement E

Account Description A	Current Parameters						Proposed Parameters					
	B	C	D	E	F	G	H	I	J	K	L	M
	P-Life/ AYFR	Curve Shape	BG. ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	BG. ASL	Rem. Life	Avg. Sal.	Fut. Sal.
Amortizable												
391.10 Office Furniture and Equipment	21.00	SQ	21.00				21.00	SQ	21.00	8.70		
391.20 Computer Equipment - PCs	5.00	SQ	5.00				5.00	SQ	5.00	2.89		
393.00 Stores Equipment	33.00	SQ	33.00				33.00	SQ	33.00	12.68		
394.00 Tools, Shop and Garage Equipment	29.00	SQ	29.00				29.00	SQ	29.00	15.69		
395.00 Laboratory Equipment	40.00	SQ	40.00				40.00	SQ	40.00	28.70		
397.CE Communication Equipment	23.00	SQ	23.00				23.00	SQ	23.00	16.10		
398.00 Miscellaneous Equipment	18.00	SQ	18.00				18.00	SQ	18.00	6.22		
Total Amortizable									19.83	11.59		
Total General Plant									11.65	7.10	-3.8	-3.9
TOTAL UTILITY									26.10	16.98	-3.8	-3.9
OTHER PRODUCTION PLANT												
Nogales												
341.00 Structures and Improvements	49.00	S6	49.00	29.50			49.00	S6	49.00	40.31		
342.00 Fuel Holders, Producers and Accessories	40.00	S4	40.00	32.63			40.00	S4	40.00	31.64	0.1	
343.00 Prime Movers	40.00	R3	40.00	26.17			40.00	R3	40.00	28.50		
344.00 Generators	43.00	S0	43.00	36.15			43.00	S0	43.00	38.26		
345.00 Accessory Electric Equipment	43.00	S6	43.00	29.39			43.00	S6	43.00	31.86		
346.00 Miscellaneous Power Plant Equipment	38.00	R1	38.00	33.34			38.00	R1	38.00	34.33		
353.00 Station Equipment												
Total Nogales									41.42	32.23		
Black Mountain												
341.00 Structures and Improvements							2048	200-SC	38.00	37.55		
342.00 Fuel Holders, Producers and Accessories							2048	200-SC	38.00	37.55		
343.00 Prime Movers												
344.00 Generators							2048	200-SC	38.00	37.55		
345.00 Accessory Electric Equipment							2048	200-SC	38.00	37.55		
346.00 Miscellaneous Power Plant Equipment							2048	200-SC	38.00	37.55		
353.00 Station Equipment							2048	200-SC	38.00	37.55		
Total Black Mountain									38.00	37.55		

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KRISTIN K. MAYES - CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-09-_____
 UNS ELECTRIC, INC. FOR THE)
 ESTABLISHMENT OF JUST AND)
 REASONABLE RATES AND CHARGES)
 DESIGNED TO REALIZE A REASONABLE)
 RATE OF RETURN ON THE FAIR VALUE OF)
 THE PROPERTIES OF UNS ELECTRIC, INC.)
 DEVOTED TO ITS OPERATIONS)
 THROUGHOUT THE STATE OF ARIZONA.)
)

UNS ELECTRIC, INC.

SCHEDULES

“A” through “H”

VOLUME 3 OF 4

April 30, 2009

Index

UNS Electric, Inc.
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Test Year Ended December 31, 2008

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A-2	Summary Results of Operations	Operating results for the test year, two prior years and the projected year
A-3	Summary of Capital Structure	Capital structure for the test year, two prior years and the projected year
A-4	Construction Expenditures and Gross Utility Plant in Service	Construction expenditures, net plant placed in service and gross utility plant in service for the test year, two prior years and three projected years
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UNS Electric, Inc.
Index to Schedules
Test Year Ended December 31, 2008

Schedule	Title of Schedule	Description
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E-2	Comparative Income Statements	Income statements for the test year and two prior years
E-3	Comparative Statements of Cash Flows	Cash flow statements for the test year and two prior years
E-4	Comparative Statements of Changes in Stockholders' Equity (Deficit)	Changes in stockholders' equity for the test year and two prior years
E-5	Detail of Electric Utility Plant	Electric utility plant balances by detailed account, at the end of the test year and at the end of the prior year
E-6	Comparative Departmental Operating Income Statements	Comparative departmental statements of operating income for the test year and two prior years
E-7	Electric Operating Statistics	Operating statistics (sales, revenues, customers and expenses) for the test year and two prior years
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E-9	Notes to Financial Statements	Reference to see the attached FERC Form 1 as of December 31, 2008.
<u>Projections and Forecasts</u>		
F-1	Projected Income Statements - Present and Proposed Rates	Income statements for the test year and the projected year, at present and proposed rates
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F-3	Projected Construction Requirements	Construction requirements by property classification for the test year and three projected years
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UNS Electric, Inc.
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Schedule	Title of Schedule	Description
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G-4	Expense Allocation to Classes of Service	Allocation of operating expenses to classes of service
G-5	Distribution of Rate Base by Function	Classification of rate base by function
G-6	Distribution of Expenses by Function	Classification of expenses by function
G-7	Development of Allocation Factors	Allocation factors used in the cost of service study (indicating how demand, commodity and customer allocation factors were developed), and including explanation of the demand method used
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H-2	Comparisons of Revenues by Rate Schedules - Present and Proposed Rates	Revenues by detailed class of service at present and proposed rates
H-3	Comparison of Present & Proposed Rates	Comparison of present and proposed rates by rate schedule
H-4	Typical Bill Comparison - Present (Prior to June 1, 2009 PPFAC Rate Change) & Proposed Rates	Comparison of typical customer bills at varying consumption levels at present and proposed rates
H-4-2	Typical Bill Comparison - Present (Includes June 1, 2009 PPFAC Rate Change) & Proposed Rates	Comparison of typical customer bills at varying consumption levels at present and proposed rates
H-5	Bill Count	Billing activity by block for the summer and winter periods for residential, commercial and industrial rate groups.

Schedule A

UNS Electric, Inc.
Computation of Increase in Gross Revenue Requirements
Test Year Ended December 31, 2008

Line No.	Description	ACC Jurisdiction			Line No.
		Original Cost	RCND	Fair Value	
1	Adjusted Rate Base	\$175,818,913	(a) \$354,485,222	(a) \$265,152,067	(e) 1
2	Adjusted Operating Income	\$10,003,347	(b) \$10,003,347	(b) \$10,003,347	2
3	Current Rate of Return (2/1)	5.69%	2.82%	3.77%	3
4	Required Operating Income	\$18,253,668	\$18,253,668	\$18,253,668	4
5	Weighted Average Cost of Capital	9.04%	9.04%	9.04%	5
6	Fair Value Adjustment	1.34%	-3.89%	-2.16%	6
7	Required Rate of Return	10.38%	5.15%	6.88%	(e) 7
8	Operating Income Deficiency	\$8,250,321	\$8,250,321	\$8,250,321	8
9	Gross Revenue Conversion Factor	1.6363	(d) 1.6363	(d) 1.6363	(d) 9
10	Increase in Gross Revenue Requirement	\$13,500,000	\$13,500,000	\$13,500,000	10
Customer Classification		Projected Revenue Increase (f)	% Dollar Increase (f)		
11	Residential Service	\$6,238,014	6.77%		
12	Small General Service	973,617	8.36%		
13	Large General Service	4,447,767	8.03%		
14	Large Power Service	1,560,254	7.95%		
15	Interruptible Service	228,540	10.06%		
16	Lighting	51,809	8.39%		
Total		\$13,500,000	7.43%		

Supporting Schedules

- (a) B-1
- (b) C-1
- (c) D-1
- (d) C-3
- (e) Rev Req Model
- (f) H-1

UNS Electric, Inc.
Summary Results of Operations
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Year Ended December 31, 2009

Line No.	Description	Prior Years Ended December 31,		Test Year Ended December 31, 2008		Projected Year Ended December 31, 2009		Line No.
		2006 (a)	2007 (a)	Actuals (b)	Adjusted (b)	Present Rates (c)	Proposed Rates (c)	
1	Operating Revenues	\$159,766,400	\$168,958,769	\$194,910,688	\$160,926,065	\$178,640,124	\$193,029,867	1
2	Operating Expenses (Includes income taxes)	149,762,819	159,775,021	185,124,306 (2)	150,922,718	168,867,198	174,579,164	2
3	Operating Income	10,003,581	9,183,748	9,786,382	10,003,347	9,772,926	18,450,703	3
4	Other Income and Deductions	340,822	1,271,020	399,049	399,049	336,415	345,912	4
5	Income Before Interest Expense	10,344,403	10,454,768	10,185,431	10,402,396	10,109,341	18,796,615	5
6	Interest Expense	5,239,444	5,700,509	6,421,845	6,421,845	6,716,563	6,711,464	6
7	Net Income	\$5,104,959	\$4,754,259	\$3,763,586	\$3,980,551	\$3,392,778	\$12,085,151	7
8	Earnings Per Average Common Share	N/A (1)	N/A	N/A	N/A	N/A	N/A	8
9	Dividends Per Common Share	N/A (1)	N/A	N/A	N/A	N/A	N/A	9
10	Payout Ratio	0% (1)	0%	0%	0%	0%	0%	10
11	Return on Year-End Invested Capital	7.21%	6.31%	5.33%	5.44%	5.34%	9.63%	11
12	Return on Average Invested Capital	8.02%	6.76%	5.71%	5.83%	5.32%	9.73%	12
13	Return on Year-End Common Equity	7.86%	5.96%	4.49%	4.74%	3.89%	12.61%	13
14	Return on Average Common Equity	8.89%	6.57%	4.60%	4.86%	3.97%	13.46%	14
15	Times Total Interest Earned - Before Income Taxes	2.57	2.24	1.91	1.95	1.84	3.98	15
16	Times Total Interest Earned - After Income Taxes	1.97	1.83	1.59	1.62	1.51	2.80	16

(1) UNS Electric, Inc. is a subsidiary of UniSource Energy Corporation and has no publicly traded stock; thus, such information is not meaningful.

(2) Includes reclassification of \$160,200 for Customer Deposit Interest Expense From Other Interest Expense to Other O&M Expense.

Supporting Schedules

- (a) E-2
(b) C-1
(c) F-1

UNS Electric, Inc.
Summary of Capital Structure
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Year Ended December 31, 2009

Line No.	Description	Prior Years Ended December 31,		Test Year Ended December 31, 2008 Actuals (b)	Projected Year Ended December 31, 2009		Line No.
		2006 (a)	2007 (a)		Present Rates (c)	Proposed Rates (c)	
<u>Capitalization</u>							
1	Short-Term Debt	\$0	\$0	\$0	\$2,832,055	\$0	1
2	Long-Term Debt (Net of Issuance Costs)	78,595,915	85,807,359	107,272,239	99,375,066	99,375,066	2
	Total Debt	78,595,915	85,807,359	107,272,239	102,207,121	99,375,066	
3	Common Stock Equity	64,936,560	79,788,855	83,755,206	87,147,980	95,841,000	3
4	Total Capital	\$143,532,475	\$165,596,214	\$191,027,445	\$189,355,101	\$195,216,066	4
<u>Capitalization Ratios</u>							
5	Short-Term Debt	0%	0.00%	0.00%	1.50%	0.00%	5
6	Long-Term Debt (Net of Issuance Costs)	54.76%	51.82%	56.16%	52.48%	50.91%	6
7	Common Stock Equity	45.24%	48.18%	43.84%	46.02%	49.09%	7
8	Total Capital	100.00%	100.00%	100.00%	100.00%	100.00%	8
9	Weighted Cost of Short-Term Debt	0.00%	0.00%	0.00%	0.02%	0.00%	9
10	Weighted Cost of Long-Term Debt	4.01%	3.79%	4.11%	3.68%	3.57%	10
11	Weighted Cost of Common Equity	5.16%	5.49%	5.00%	5.25%	5.60%	11

Supporting Schedules

(a) E-1
(b) D-1

UNS Electric, Inc.
Construction Expenditures and Gross Utility Plant in Service
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Years Ended December 31, 2009, 2010 and 2011

Line No.	Year	Construction Expenditures	Net Plant Placed in Service	Gross Utility Plant in Service	Line No.
1	Prior Year Ended December 31, 2006	(a) \$38,947,000	\$139,477,021	\$291,884,592	1
2	Prior Year Ended December 31, 2007	(a) \$37,582,000	\$164,114,994	\$325,590,982	2
3	Test Year Ended December 31, 2008	(a) \$29,664,000	\$173,636,600	\$343,988,806	3
4	Projected Year Ended December 31, 2009	(b) \$28,227,000	\$198,236,540	\$388,289,183	4
5	Projected Year Ended December 31, 2010	(b) \$23,869,000	\$206,650,540	\$417,105,183	5
6	Projected Year Ended December 31, 2011	(b) \$22,198,000	\$210,846,540	\$442,196,183	6

Supporting Schedules
(a) E-1 & E-3
(b) F-3

UNS Electric, Inc.
Summary Changes in Financial Position
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Year Ended December 31, 2009
(Thousands of Dollars)

Line No.	Description	Prior Years Ended December 31,		Test Year Ended December 31	Projected Year Ended December 31, 2009		Line No.
		2006 (a)	2007 (a)		Present Rates (b)	Proposed Rates (b)	
1	Net Cash Flows from Operating Activities	\$13,772	\$21,807	\$13,551	\$31,749	\$43,785	1
2	Net Cash Flows From Investing Activities	(38,947)	(36,206)	(29,584)	(28,227)	(28,227)	2
3	Net Cash Flows from Financing Activities	22,238	12,238	22,172	(7,331)	(10,163)	3
4	Net Increase (Decrease) in Cash	<u>(\$2,937)</u>	<u>(\$2,161)</u>	<u>\$6,139</u>	<u>(\$3,809)</u>	<u>\$5,395</u>	4

Supporting Schedules

(a) E-3

(b) F-2

Schedule B

UNS Electric, Inc.
Summary of Original Cost and RCND Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Total		ACC Jurisdiction		Line No.
		Adjusted Original Cost Rate Base (a)	Adjusted RCND Rate Base (b)	Adjusted Original Cost Rate Base (a)	Adjusted RCND Rate Base (b)	
1	Gross Utility Plant in Service	\$454,177,170	\$844,301,155	\$454,177,170	\$844,301,155	1
2	Less: Accumulated Depreciation	193,348,359	367,590,759	193,348,359	367,590,759	2
3	Net Utility Plant in Service	260,828,810	476,710,396	260,828,810	476,710,396	3
4	Citizens Acquisition Discount	(93,273,341)	(130,469,005)	(93,273,341)	(130,469,005)	4
5	Less: Accum. Amort. - Citizens Acq. Discount	(20,876,317)	(27,773,948)	(20,876,317)	(27,773,948)	5
6	Net Citizens Acquisition Discount	(72,397,024)	(102,695,057)	(72,397,024)	(102,695,057)	6
7	Total Net Utility Plant	188,431,786	374,015,339	188,431,786	374,015,339	7
8	Customer Advances for Construction	(12,605,744)	(17,555,056)	(12,605,744)	(17,555,056)	8
9	Customer Deposits	(4,064,671)	(4,064,671)	(4,064,671)	(4,064,671)	9
10	Accumulated Deferred Income Taxes	(2,028,227)	(3,996,158)	(2,028,227)	(3,996,158)	10
11	Total Deductions	(18,698,641)	(25,615,885)	(18,698,641)	(25,615,885)	11
12	Allowance for Working Capital	6,085,768	6,085,768	6,085,768	6,085,768	12
13	Regulatory Assets	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	14
15	Total Rate Base	\$175,818,913	\$354,485,222	\$175,818,913	\$354,485,222	15

Supporting Schedules
(a) B-2
(b) B-3

Recap Schedules
A-1

UNS Electric, Inc.
Pro Forma Adjustments to Original Cost Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Actual at End of Test Period	Total Adjustments (a)	Adjusted at End of Test Period	ACC Jurisdiction	Line No.
1	Gross Utility Plant in Service	\$446,913,556	\$7,263,614	\$454,177,170	\$454,177,170	1
2	Less: Accumulated Depreciation	193,348,359	0	193,348,359	193,348,359	2
3	Net Utility Plant in Service	253,565,196	7,263,614	260,828,810	260,828,810	3
4	Citizens Acquisition Discount	(104,266,123)	10,992,782	(93,273,341)	(93,273,341)	4
5	Less: Accum. Amort. - Citizens Acq. Discount	(23,513,716)	2,637,399	(20,876,317)	(20,876,317)	5
6	Net Citizens Acquisition Discount	(80,752,407)	8,355,383	(72,397,024)	(72,397,024)	6
7	Total Net Utility Plant	172,812,789	15,618,997	188,431,786	188,431,786	7
8	Customer Advances for Construction	(12,605,744)	0	(12,605,744)	(12,605,744)	8
9	Customer Deposits	(4,064,671)	0	(4,064,671)	(4,064,671)	9
10	Accumulated Deferred Income Taxes	(1,343,450)	(684,777)	(2,028,227)	(2,028,227)	10
11	Total Deductions	(18,013,864)	(684,777)	(18,698,641)	(18,698,641)	11
12	Allowance for Working Capital	9,880,614	(3,794,846)	6,085,768	6,085,768	12
13	Regulatory Assets	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	14
15	Total Original Cost Rate Base	\$164,679,539	\$11,139,374	\$175,818,913	\$175,818,913	15

Supporting Schedules
(a) B-2 (P2-3)
(b) B-5

Recap Schedules
B-1

UNS Electric, Inc.
Pro Forma Adjustments to Original Cost Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Acquisition Discount Adjustment	Post-Test Year Non-Revenue Plant in Service	Accumulated Deferred Income Taxes	Working Capital	Total Page Adjustments	Line No.
1	Gross Utility Plant in Service	\$0	\$7,263,614	\$0	\$0	\$7,263,614	1
2	Less: Accumulated Depreciation	0	0	0	0	0	2
3	Net Utility Plant in Service	0	7,263,614	0	0	7,263,614	3
4	Citizens Acquisition Discount	10,992,782	0	0	0	10,992,782	4
5	Less: Accum. Amort. - Citizens Acq. Discount	2,637,399	0	0	0	2,637,399	5
6	Net Citizens Acquisition Discount	8,355,383	0	0	0	8,355,383	6
7	Total Net Utility Plant	8,355,383	7,263,614	0	0	15,618,997	7
8	Customer Advances for Construction	0	0	0	0	0	8
9	Customer Deposits	0	0	0	0	0	9
10	Accumulated Deferred Income Taxes	0	0	(684,777)	0	(684,777)	10
11	Total Deductions	0	0	(684,777)	0	(684,777)	11
12	Allowance for Working Capital	0	0	0	(3,794,846)	(3,794,846)	12
13	Regulatory Assets	0	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	0	14
15	Total Original Cost Rate Base	\$8,355,383	\$7,263,614	(\$684,777)	(\$3,794,846)	\$11,139,374	15

Supporting Schedules
N/A

Recap Schedules
B-1

UNS Electric, Inc.
Pro Forma Adjustments to RCND Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Actual at End of Test Period (a), (b)	Total Adjustments (c)	Adjusted at End of Test Period	ACC Jurisdiction	Line No.
1	Gross Utility Plant in Service	\$837,037,541	\$7,263,614	\$844,301,155	\$844,301,155	1
2	Less: Accumulated Depreciation	367,590,759	0	367,590,759	367,590,759	2
3	Net Utility Plant in Service	469,446,782	7,263,614	476,710,396	476,710,396	3
4	Citizens Acquisition Discount	(150,677,134)	20,208,129	(130,469,005)	(130,469,005)	4
5	Less: Accum. Amort. - Citizens Acq. Discount	(32,797,218)	5,023,270	(27,773,948)	(27,773,948)	5
6	Net Citizens Acquisition Discount	(117,879,916)	15,184,859	(102,695,057)	(102,695,057)	6
7	Total Net Utility Plant	351,566,866	22,448,473	374,015,339	374,015,339	7
8	Customer Advances for Construction	(17,555,056)	0	(17,555,056)	(17,555,056)	8
9	Customer Deposits	(4,064,671)	0	(4,064,671)	(4,064,671)	9
10	Accumulated Deferred Income Taxes	(2,646,961)	(1,349,197)	(3,996,158)	(3,996,158)	10
11	Total Deductions	(24,266,688)	(1,349,197)	(25,615,885)	(25,615,885)	11
12	Allowance for Working Capital	9,880,614	(3,794,846)	6,085,768	6,085,768	12
13	Regulatory Assets	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	14
15	Total RCND Rate Base	\$337,180,792	\$17,304,430	\$354,485,222	\$354,485,222	15

Recap Schedules
B-1

Supporting Schedules
(a) B-4
(b) B-2
(c) B-3 (P2-3)

UNS Electric, Inc.
Pro Forma Adjustments to RCND Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Acquisition Discount Adjustment RCN	Post-Test Year Non-Revenue Plant in Service RCN	Accumulated Deferred Income Taxes RCN	Working Capital RCN	Total Page Adjustments	Line No.
1	Gross Utility Plant in Service	\$0	\$7,263,614	\$0	\$0	\$7,263,614	1
2	Less: Accumulated Depreciation	0	0	0	0	0	2
3	Net Utility Plant in Service	0	7,263,614	0	0	7,263,614	3
4	Citizens Acquisition Discount	20,208,129	0	0	0	20,208,129	4
5	Less: Accum. Amort. - Citizens Acq. Discount	5,023,270	0	0	0	5,023,270	5
6	Net Citizens Acquisition Discount	15,184,859	0	0	0	15,184,859	6
7	Total Net Utility Plant	15,184,859	7,263,614	0	0	22,448,473	7
8	Customer Advances for Construction	0	0	0	0	0	8
9	Customer Deposits	0	0	0	0	0	9
10	Accumulated Deferred Income Taxes	0	0	(1,349,197)	0	(1,349,197)	10
11	Total Deductions	0	0	(1,349,197)	0	(1,349,197)	11
12	Allowance for Working Capital	0	0	0	(3,794,846)	(3,794,846)	12
13	Regulatory Assets	0	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	0	14
15	Total RCND Rate Base	\$15,184,859	\$7,263,614	(\$1,349,197)	(\$3,794,846)	\$17,304,430	15

Recap Schedules
B-1

Supporting Schedules
N/A

UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended December 31, 2008

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
Utility Plant In Service							
1	INTANGIBLE	302	Franchises & Consents	\$0	N/A	\$0	1
2		303	Misc. Intangible Plant	9,130,324	65.8%	6,003,581	2
3			Total Intangible Plant	9,130,324		6,003,581	3
4	OTHER PRODUCTION	340	Land & Land Rights	205,436	100.0%	205,436	4
5		341	Structures & Improvements	3,621,203	83.6%	3,028,252	5
6		342	Fuel Holders, Producers, & Accessories	1,211,666	79.5%	963,428	6
7		343	Prime Movers	21,806,582	71.3%	15,551,954	7
8		344	Generators	9,051,553	91.5%	8,281,898	8
9		345	Accessory Electric Equipment	5,508,841	72.8%	4,012,813	9
10		346	Misc. Power Plant Equipment	1,717,893	90.0%	1,546,317	10
11			Total Other Production	43,123,175		33,590,098	11
12	TRANSMISSION (Non-EHV)	350	Land & Land Rights	1,431,088	90.9%	1,300,500	12
13		352	Structures & Improvements	893,288	63.1%	563,746	13
14		353	Station Equipment	43,128,870	61.8%	26,666,391	14
15		354	Towers & Fixtures	2,117,537	67.2%	1,423,094	15
16		355	Poles & Fixtures	39,080,670	55.8%	21,790,557	16
17		356	Overhead Conductors & Devices	39,705,222	64.6%	25,643,714	17
18		358	Underground Conductors & Devices	38,284	90.9%	34,784	18
19		359	Roads & Trails	575,359	64.9%	373,470	19
20			Total Transmission Plant	126,970,318		77,796,257	20
21	DISTRIBUTION	360	Land & Land Rights	1,354,701	97.1%	1,315,269	21
22		361	Structures & Improvements	8,167,988	76.8%	6,276,468	22
23		362	Station Equipment	80,103,214	51.0%	40,823,358	23
24		364	Poles, Towers, & Fixtures	150,342,721	45.0%	67,595,783	24
25		365	Overhead Conductors & Devices	130,019,108	49.4%	64,281,604	25
26		366	Underground Conduit	23,715,667	62.8%	14,898,221	26
27		367	Underground Conductors & Devices	70,739,900	63.8%	45,122,335	27
28		368	Line Transformers	123,555,857	55.3%	68,340,171	28
29		369	Services	22,519,570	54.3%	12,223,582	29
30		370	Meters	12,339,090	80.3%	9,902,157	30
31		373	Street Lights and Signal Systems	8,225,150	57.5%	4,728,165	31
32			Total Distribution Plant	631,082,965		335,507,113	32

Supporting Schedules
N/A

Recap Schedules
B-3

UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended June 30, 2006

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
33	GENERAL	389	Land & Land Rights	45,767	100.0%	45,767	33
34		390	Structures & Improvements	4,398,093	69.7%	3,064,333	34
35		391	Office Furniture & Equipment	2,708,034	28.6%	775,450	35
36		392	Transportation Equipment	9,847,008	68.8%	6,776,790	36
37		393	Stores Equipment	206,542	39.2%	80,884	37
38		394	Tools, Shop, & Garage Equipment	3,726,072	54.7%	2,039,028	38
39		395	Laboratory Equipment	1,425,303	72.1%	1,027,380	39
40		396	Power Operated Equipment	2,099,966	57.1%	1,198,833	40
41		397	Communication Equipment	2,107,282	70.5%	1,484,960	41
42		398	Miscellaneous Equipment	166,692	33.8%	56,309	42
43			Total General Plant	26,730,760		16,549,734	43
44			Total Plant	\$837,037,541		\$469,446,782	44

Supporting Schedules
N/A

Recap Schedules
B-3

UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended December 31, 2008

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
1							1
2							2
3							3
4	INTANGIBLE	302	<u>Citizens Acquisition Discount</u>				4
5		303	Franchises & Consents				5
6			Misc. Intangible Plant				6
7			Total Intangible Plant				7
8							8
9							9
10							10
11							11
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UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended June 30, 2006

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
33	GENERAL	389	Land & Land Rights	(31,736)	100.0%	(31,736)	33
34		390	Structures & Improvements	(902,643)	84.6%	(763,267)	34
35		391	Office Furniture & Equipment	(377,570)	27.6%	(104,225)	35
36		392	Transportation Equipment	(70,240)	12.9%	(9,051)	36
37		393	Stores Equipment	(60,328)	85.6%	(51,663)	37
38		394	Tools, Shop, & Garage Equipment	(1,002,004)	83.5%	(836,347)	38
39		395	Laboratory Equipment	(313,436)	87.0%	(272,547)	39
40		396	Power Operated Equipment	(153,902)	80.0%	(123,050)	40
41		397	Communication Equipment	(333,638)	77.6%	(258,922)	41
42		398	Miscellaneous Equipment	(20,880)	70.6%	(14,732)	42
43			Total General Plant	(3,266,378)		(2,465,540)	43
44			Total Plant	(\$150,677,134)		(\$117,879,916)	44

Supporting Schedules
N/A

Recap Schedules
B-3

UNS Electric, Inc.
Computation of Working Capital
Test Year Ended December 31, 2008

Line No.	Description	Total		Original & RCND		Line No.
		Original Cost	RCND Cost	ACC Jurisdiction		
1	Cash Working Capital	(\$2,810,346)	(\$2,810,346)		(\$2,810,346)	1
2	Fuel Inventory	0	0		0	2
3	Materials and Supplies	8,261,763	8,261,763		8,261,763	3
4	Prepayments	634,351	634,351		634,351	4
5	Total Working Capital Allowance	<u>\$6,085,768</u>	<u>\$6,085,768</u>		<u>\$6,085,768</u>	5

Supporting Schedules
B-5 (P2)

Recap Schedules
B-1

UNS Electric, Inc.
Detail of Adjustments to Working Capital
As of December 31, 2008

Line No.	Description	Actual	Adjustments			Total Adjusted	Line No.
			Thirteen Month Average	Cash Working Capital			
1	Cash Working Capital	\$0	N/A	(\$2,810,346)		(\$2,810,346)	1
2	Fuel Inventory (Account 151)	0	0	N/A		0	2
3	Materials & Supplies (Accounts 154 and 163)	8,984,032	(722,269)	N/A		8,261,763	3
4	Prepayments (Account 165)	896,582	(262,231)	N/A		634,351	4
5	Total	<u>\$9,880,614</u>	<u>(\$984,500)</u>	<u>(\$2,810,346)</u>		<u>\$6,085,768</u>	5

Supporting Schedules
B-5 (P3)

Recap Schedules
B-5 (P1)

UNS Electric, Inc.
Cash Working Capital - Lead/Lag Study
Test Year Ended December 31, 2008

Line No.	Description	(A)	Pro Forma Test Year Amount	(B)	Revenue Lag Days	(C)	Expense Lag Days	(D)	Net Lag Days (Col. C - Col. D)	(E)	Lead/Lag Factor (Col. E/365)	(F)	Cash Working Capital Required (Col. F x Col. B)	(G)	Line No.
1	Operating Expenses														1
2	Non-Cash Expenses														2
3	Bad Debts Expense			\$764,063											3
4	Depreciation			17,810,236											4
5	Amortization			(3,575,014)											5
6	Deferred Income Taxes			3,384,947											6
7	Other Operating Expenses														7
8	Salaries and Wages (UNSE Direct Employees)			4,828,118	35.59		23.33		12.26		0.0336		\$162,225		8
9	Incentive Pay (UNSE Direct Employees)			109,736	35.59		267.00		(231.41)		(0.6340)		(\$69,573)		9
10	Purchased Power			95,598,854	35.59		33.79		1.80		0.0049		\$468,434		10
11	Transmission Other			8,082,997	35.59		40.67		(5.08)		(0.0139)		(\$112,354)		11
12	Meter Reading			839,177	35.59		33.67		1.92		0.0053		\$4,448		12
13	Customer Records & Collection Expenses (excluding allocations)			1,389,213	35.59		34.94		0.65		0.0018		\$2,501		13
14	Office Supplies and Expenses			505,643	35.59		50.89		(15.30)		(0.0419)		(\$21,186)		14
15	Injuries and Damages			309,105	35.59		70.52		(34.93)		(0.0957)		(\$29,581)		15
16	Pensions and Benefits			1,166,579	35.59		51.37		(15.78)		(0.0432)		(\$50,396)		16
17	Support Services - TEP (Direct Labor, Burdens, System Alloc.)			6,217,822	35.59		44.77		(9.18)		(0.0252)		(\$156,689)		17
18	Property Taxes			3,307,989	35.59		213.00		(177.41)		(0.4848)		(\$1,603,548)		18
19	Payroll Taxes			445,648	35.59		19.87		15.72		0.0431		\$19,207		19
20	Current Income Taxes			(1,263,680)	35.59		41.42		(5.83)		(0.0160)		\$20,219		20
21	Interest on Customer Deposits			14,499	35.59		182.50		(146.91)		(0.4025)		(\$5,836)		21
22	Other Operations and Maintenance			10,986,786	35.59		41.21		(5.62)		(0.0154)		(\$169,197)		22
23	Total Operating Expenses			<u>\$150,922,718</u>											23
24	Other Cash Working Capital Elements:														24
25	Interest On Long-Term Debt			\$6,716,262	35.59		78.97		(43.38)		(0.1188)		(797,894)		25
26	Revenue Taxes and Assessments			\$12,430,745	35.59		49.43		(13.84)		(0.0379)		(471,125)		26
27	Total Cash Working Capital												<u>(\$2,810,346)</u>		27

Supporting Schedules

N/A

Recap Schedules

B-2, B-3

Schedule C

UNS Electric, Inc.
Adjusted Test Year Income Statement
Test Year Ended December 31, 2008

Line No.	Description	Unadjusted (a)	Pro Forma Adjustments (b)	Adjusted	ACC Jurisdiction	FERC Jurisdiction	Line No.
1	Operating Revenues						1
2	Electric Retail Revenues	\$181,638,915	(\$22,358,469)	\$159,280,446	\$159,280,446	\$0	2
3	Sales for Resale	10,168,115	(10,168,115)	0	0	0	3
4	Other Operating Revenue	3,103,658	(1,458,039)	1,645,619	1,645,619	0	4
	Total Operating Revenues	194,910,688	(33,984,623)	160,926,065	160,926,065	0	
5	Operating Expenses						5
6	Fuel, Purchased Power & Transmission	143,362,723	(32,059,159)	111,303,565	111,303,565	0	6
7	Other Operations and Maintenance Expense	21,569,849	(2,144,234)	19,425,615	19,425,615	0	7
8	Depreciation and Amortization	14,429,415	(194,193)	14,235,222	14,235,222	0	8
9	Taxes Other than Income Taxes	3,680,634	156,415	3,837,049	3,837,049	0	9
10	Income Taxes	2,081,685	39,582	2,121,267	2,121,267	0	10
	Total Operating Expenses	185,124,306	(34,201,588)	150,922,718	150,922,718	0	
11	Operating Income	9,786,382	\$216,965	\$10,003,347	\$10,003,347	\$0	11
12	Other Income and Deductions						
13	Allowance for Equity Funds	322,168					
14	Other - Net	76,881					
	Total Other Income and Deductions	399,049					
15	Income Before Interest Expense	10,185,431					
16	Interest Expense						
17	Interest on Long-Term Debt	6,546,248					
18	Other Interest Expense	57,412	(1)				
19	Allowance for Borrowed Funds	(181,815)					
	Total Interest Expense	6,421,845					
20	Net Income Available for Common Stock	\$3,763,586					

(1) Includes reclassification of \$160,200 for Customer Deposit Interest Expense From Other Interest Expense to Other O&M Expense.

Supporting Schedules
(a) E-2
(b) C-2

Recap Schedules
A-1
A-2

UNS Electric, Inc.
Income Statement Pro Forma Adjustments
Test Year Ended December 31, 2008

Line No.	Description	Retail Revenue & Purchased Power Annualization	Wholesale Rev & Purch Power	Weather Normalization	Customer Energy Annualization & Customer Demand Normalization	Normalization of Rev & Exp for Fuel and PPFAC	CARES Discounts	Total Page Adjustments	Line No.
1	Operating Revenues								
2	Electric Retail Revenues	\$10,733,456	\$0	(\$1,017,300)	(\$2,820,565)	(\$29,192,263)	(\$61,797)	(\$22,358,469)	1
3	Sales for Resale	0	(10,168,115)	0	0	0	0	(10,168,115)	2
4	Other Operating Revenue	0	0	0	0	0	0	0	3
	Total Operating Revenues	<u>10,733,456</u>	<u>(10,168,115)</u>	<u>(1,017,300)</u>	<u>(2,820,565)</u>	<u>(29,192,263)</u>	<u>(61,797)</u>	<u>(32,526,584)</u>	4
5	Operating Expenses								
6	Fuel, Purchased Power & Transmission	(956,469)	(10,168,115)	(830,613)	(1,079,814)	(19,024,147)	0	(32,059,158)	5
7	Other Operations and Maintenance Expense	0	0	0	0	0	0	0	6
8	Depreciation and Amortization	0	0	0	0	0	0	0	7
9	Taxes Other than Income Taxes	0	0	0	0	0	0	0	8
10	Income Taxes	0	0	0	0	0	0	0	9
	Total Operating Expenses	<u>(956,469)</u>	<u>(10,168,115)</u>	<u>(830,613)</u>	<u>(1,079,814)</u>	<u>(19,024,147)</u>	<u>0</u>	<u>(32,059,158)</u>	10
11	Operating Income	<u>\$11,689,925</u>	<u>\$0</u>	<u>(\$186,687)</u>	<u>(\$1,740,751)</u>	<u>(\$10,168,116)</u>	<u>(\$61,797)</u>	<u>(\$467,426)</u>	11

Supporting Schedules N/A

Recap Schedules C-1

UNS Electric, Inc.
Income Statement Pro Forma Adjustments
Test Year Ended December 31, 2008

Line No.	Description	DSM & Renewables Revenue & Expense	Payroll Expense	Payroll Tax Expense	Pension & Benefits	Post Retirement Medical	Rate Case Expense	Total Page Adjustments	Line No.
1	Operating Revenues								1
2	Electric Retail Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2
3	Sales for Resale	0	0	0	0	0	0	0	3
4	Other Operating Revenue	(1,458,039)	0	0	0	0	0	(1,458,039)	4
	Total Operating Revenues	<u>(1,458,039)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,458,039)</u>	
5	Operating Expenses								5
6	Fuel, Purchased Power & Transmission	0	0	0	0	0	0	0	6
7	Other Operations and Maintenance Expense	(1,617,113)	220,252	0	210,866	161,929	138,890	(885,176)	7
8	Depreciation and Amortization	0	0	0	0	0	0	0	8
9	Taxes Other than Income Taxes	(9,713)	0	55,054	0	0	0	45,341	9
10	Income Taxes	0	0	0	0	0	0	0	10
	Total Operating Expenses	<u>(1,626,826)</u>	<u>220,252</u>	<u>55,054</u>	<u>210,866</u>	<u>161,929</u>	<u>138,890</u>	<u>(839,835)</u>	
11	Operating Income	<u>\$168,787</u>	<u>(\$220,252)</u>	<u>(\$55,054)</u>	<u>(\$210,866)</u>	<u>(\$161,929)</u>	<u>(\$138,890)</u>	<u>(\$618,204)</u>	11

Supporting Schedules
N/A

Recap Schedules
C-1

UNS Electric, Inc.
Income Statement Pro Forma Adjustments
Test Year Ended December 31, 2008

Line No.	Description	Bad Debt Expense	Interest on Customer Deposits	Workers Compensation	Miscellaneous Expenses	A&G Expense Capitalized	Depr & Property Tax for Post TY Non-Rev. Plant in Service	Total Page Adjustments	Line No.
1	Operating Revenues								
2	Electric Retail Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	1
3	Sales for Resale	0	0	0	0	0	0	0	2
4	Other Operating Revenue	0	0	0	0	0	0	0	3
	Total Operating Revenues	0	0	0	0	0	0	0	4
5	Operating Expenses								
6	Fuel, Purchased Power & Transmission	0	0	0	0	0	0	0	5
7	Other Operations and Maintenance Expense	(436,441)	(145,701)	(115,528)	(331,959)	(229,429)	0	(1,259,058)	6
8	Depreciation and Amortization	0	0	0	0	0	313,599	313,599	7
9	Taxes Other than Income Taxes	0	0	0	(10,495)	0	128,927	118,432	8
10	Income Taxes	0	0	0	0	0	0	0	9
	Total Operating Expenses	(436,441)	(145,701)	(115,528)	(342,454)	(229,429)	442,526	(827,027)	10
11	Operating Income	\$436,441	\$145,701	\$115,528	\$342,454	\$229,429	(\$442,526)	\$827,027	11

Supporting Schedules
N/A

Recap Schedules
C-1

UNS Electric, Inc.
Income Statement Pro Forma Adjustments
Test Year Ended December 31, 2008

Line No.	Description	Depr & Amort Expense Annualization	Property Tax Expense	Income Taxes	Total Page Adjustments	Total Adjustment	Line No.
1	Operating Revenues						1
2	Electric Retail Revenues	\$0	\$0	\$0	\$0	(\$22,358,469)	2
3	Sales for Resale	0	0	0	0	(10,168,115)	3
4	Other Operating Revenue	0	0	0	0	(1,458,039)	4
	Total Operating Revenues	0	0	0	0	(33,984,623)	
5	Operating Expenses						5
6	Fuel, Purchased Power & Transmission	0	0	0	0	(32,059,158)	6
7	Other Operations and Maintenance Expense	0	0	0	0	(2,144,234)	7
8	Depreciation and Amortization	(507,792)	0	0	(507,792)	(194,193)	8
9	Taxes Other than Income Taxes	0	(7,358)	0	(7,358)	156,415	9
10	Income Taxes	0	0	39,582	39,582	39,582	10
	Total Operating Expenses	(507,792)	(7,358)	39,582	(475,568)	(34,201,588)	
11	Operating Income	\$507,792	\$7,358	(\$39,582)	\$475,568	\$216,965	11

Supporting Schedules
N/A

Recap Schedules
C-1

UNS Electric, Inc.
Computation of Gross Revenue Conversion Factor
Test Year Ended December 31, 2008

Line No.	Description	Percentage of Incremental Gross Revenues	Line No.
1	Gross Revenue	100.00%	1
2	Less: Uncollectible Revenue	0.47180%	2
3	Taxable Income as a Percent	99.53%	3
4	Less: Federal (31.630%) and State Income Taxes (6.968%) (Combined Effective Tax Rate = 38.598%)	38.42%	4
5	Change in Net Operating Income	61.11%	5
6	Gross Revenue Conversion Factor	1.6363 (a)	6

(a) Line No. 1 divided by line No. 5.

Supporting Schedules
N/A

Recap Schedules
A-1

Schedule D

UNS Electric, Inc.
Summary Cost of Capital
Test Year Ended December 31, 2008
(Thousands of Dollars)

Line No.	Capital Source	Capitalization		Cost Rate	Weighted Cost of Capital (c)	Line No.
		Amount	Percent			
<u>Actual - End of Test Period</u>						
1	Short-Term Debt			0.00%	0.00%	1
2	Long-Term Debt - Net	(a) 107,272 (1)	56.16%	7.32%	4.11%	2
3	Common Stock Equity	(b) 83,755	43.84%	11.40%	5.00%	3
4	Total Capital	<u>\$191,027</u>	<u>100.00%</u>		<u>9.11%</u>	4
<u>Proposed - End of Test Period</u>						
5	Short-Term Debt			0.00%	0.00%	5
6	Long-Term Debt - Net	(a) 99,272	54.24%	7.05%	3.82%	6
7	Common Stock Equity	83,755	45.76%	11.40%	5.22%	7
8	Total Capital	<u>\$183,027</u>	<u>100.00%</u>		<u>9.04%</u>	8

(1) The balance of Long-Term Debt is stated net of the unamortized balance of debt discount and issuance expense. Page 1 of Schedule D-2 provides a reconciliation between the Long-Term Debt balance of \$108 million shown on Schedule E-1 and the \$107,272 million balance shown above.

Supporting Schedules
(a) D-2
(b) E-1

Recap Schedules
(c) A-3

UNS Electric, Inc.
Summary Cost of Capital
Projected Year Ended December 31, 2009
(Thousands of Dollars)

Line No.	Capital Source	Capitalization		Cost Rate	Weighted Cost of Capital (b)	Line No.
		Amount	Percent			
	<u>Projected as of December 31, 2009</u>					
1	Short-Term Debt	\$2,832	1.50%	1.62%	0.02%	1
2	Long-Term Debt - Net	99,375	52.48%	7.02%	3.68%	2
3	Common Stock Equity	87,148	46.02%	11.40%	5.25%	3
4	Total Capital	<u>\$189,355</u>	<u>100.00%</u>		<u>8.96%</u>	4

Recap Schedules
(b) A-3

Supporting Schedules
(a) D-2

UNS Electric, Inc.
Cost of Long-Term Debt and Short-Term Debt
Test Year Ended December 31, 2008
(Thousands of Dollars)

Line No.	Description	End of Test Period (Actual)			End of Test Period (Proposed)			Line No.
		Outstanding	Annual Interest	Cost Rate	Outstanding	Annual Interest	Cost Rate	
	Senior Notes							
1	6.5% UNS Electric Sr. Unsecured Notes due 08/15	\$50,000	\$3,250		\$50,000	\$3,250 (1)		1
2	7.10% UNS Electric Guaranteed Notes Series B due 08/23	50,000	3,550		50,000	3,550 (1)		2
3	Total Bonds	100,000	6,800	6.80%	100,000	6,800	6.80%	3
4	Revolving Credit Facility	8,000	851		0	0		4
5	Total Long-Term Debt	108,000	7,651	7.08%	100,000	6,800	6.80%	5
	Unamortized Debt Discount, Premium and Expense and Loss on Recquired Debt	(728)			(728)			5
5	Amortization of Debt Discount and Expense and Loss on Recquired Debt		154			154		6
6	Credit Facility Commitment Fees		43			45 (2)		7
7								
8	Total Long-Term Debt - Net	\$107,272	\$7,848	7.32%	\$99,272	\$6,999	7.05%	8
9	Total Short-Term Debt	\$0	\$0	N/A	\$0	\$0	N/A	9

(1) Assumed full year interest expense to equal stated interest rates of 6.5% and 7.1% respectively multiplied by balance of each debt issuance.

(2) Credit Facility Commitment Fees of \$45,000 reflects a 0.15% annual commitment fee on 50% of the \$60 million limit credit facility shared with UNS Gas.

Supporting Schedules
E-1

Recap Schedules
D-1

UNS Electric, Inc.
Cost of Long-Term Debt and Short-Term Debt
Projected Period Ended December 31, 2009
(Thousands of Dollars)

Line No.	Description	Projected Period Ended December 31, 2009			Line No.
		Outstanding	Annual Interest	Cost Rate	
Senior Notes					
1	6.5% UNS Electric Sr. Unsecured Notes due 08/15	\$50,000	\$3,250 (1)		1
2	7.10% UNS Electric Guaranteed Notes Series B due 08/23	50,000	3,550 (1)		2
3	Total Bonds	<u>100,000</u>	<u>6,800</u>	<u>6.80%</u>	3
4	Revolving Credit Facility	0	0		4
5	Total Long-Term Debt	<u>100,000</u>	<u>6,800</u>	<u>6.80%</u>	5
Unamortized Debt Discount, Premium and Expense and Loss on Reacquired Debt					
6	Amortization of Debt Discount and Expense and Loss on Reacquired Debt	(625)			6
7	Credit Facility Commitment Fees		103		7
8			73		8
9	Total Long-Term Debt - Net	<u>\$99,375</u>	<u>\$6,976</u>	<u>7.02%</u>	9
10	Total Short-Term Debt	\$2,832	\$46	1.62% (2)	10

(1) Assumed full year interest expense to equal stated interest rates of 6.5% and 7.1% respectively multiplied by balance of each debt issuance.

(2) Short-term debt balances vary throughout the year. Thus, short-term debt interest expense is calculated off of UNSE's year-end short-term debt balance as if it were the average balance held throughout the year. The balance is then multiplied by a projected LIBOR + 100 bps spread interest rate to yield the appropriate expense.

Supporting Schedules
N/A

Recap Schedules
D-1

UNS Electric, Inc.
Cost of Preferred Stock
Test Year Ended December 31, 2008

No preferred stock was outstanding during the test year.

No preferred stock is expected to be issued.

Supporting Schedules
N/A

Recap Schedules
N/A

UNS Electric, Inc.
Cost of Common Equity
Test Year Ended December 31, 2008

The cost of common equity capital for UNS Electric, Inc. is estimated to be 11.4%.

<u>Supporting Schedules</u>	<u>Recap Schedules</u>
N/A	D-1

Schedule E

UNS Electric, Inc.
Comparative Balance Sheets
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	Prior Years Ended December 31,		Line No.
		2008	2007	
(a)	Utility Plant			
1	Plant in Service	\$446,913,556	\$429,065,681	1
2	Construction Work in Progress	18,758,596	14,395,484	2
3	Plant Held for Future Use	610,695	60,746	3
4	Plant Under Capital Leases	730,678	730,678	4
5	Citizens Acquisition Discount	(104,266,123)	(104,266,123)	5
6	Total Utility Plant	362,747,402	339,986,466	6
7	Accumulated Depreciation and Amortization	(193,348,359)	(180,251,316)	7
8	Accumulated Amortization - Capital Leases	(517,563)	(426,228)	8
9	Accumulated Amort. - Citizens Acquisition Discount	23,513,716	19,201,556	9
10	Total Utility Plant - Net	192,395,196	178,510,478	10
	Other Property and Investments			
11	Non-Utility Property	521,164	629,027	11
12	Long-Term Portion of Derivative Assets	1,517,124	7,779,094	12
13	Long-Term Portion of Derivative Assets - Hedges	0	0	13
14	Total Other Property and Investments	2,038,288	8,408,121	14
	Current Assets			
15	Cash and Cash Equivalents	4,635,779	1,563,904	15
16	Special Deposits & Working Funds	6,659,962	32,124	16
17	Temporary Cash Investments	4,170,669	1,102,702	17
18	Accounts Receivable - Retail Customers	10,890,931	10,843,445	18
19	Accounts Receivable - Other	957,753	421,379	19
20	Allowance for Doubtful Accounts	(1,378,758)	(848,012)	20
21	Accrued Unbilled Revenues	9,992,135	8,144,965	21
22	Intercompany Accounts Receivable	4,052,567	243,223	22
23	Material and Supplies	8,984,031	7,677,972	23
24	Prepayments	896,582	515,301	24
25	Derivative Instrument Assets	1,584,804	3,434,966	25
26	Other	260,000	0	26
	Total Current Assets	51,706,455	33,131,969	
	Regulatory & Other Assets			
27	Other Regulatory Assets	26,602,011	1,803,770	27
28	Unamortized Debt Discount and Expense	727,761	190,745	28
29	Accumulated Deferred Income Taxes	8,929,175	10,532,742	29
30	Other	370,659	971,997	30
31	Total Deferred Debits	36,629,606	13,499,254	31
32	Total Assets	\$282,769,545	\$233,549,822	32

Supporting Schedules
(a) E-5
E-9

Recap Schedules
A-4

UNS Electric, Inc.
Comparative Balance Sheets
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	Prior Years Ended December 31,			Line No.
		December 31, 2008	2007	2006	
	Capitalization				
1	Common Stock	\$10	\$10	\$10	1
2	Additional Paid-In Capital	58,886,661	58,616,661	48,616,661	2
3	Accumulated Earnings	24,868,535	21,140,651	16,386,392	3
4	Accumulated Other Comprehensive Income	0	31,533	(66,503)	4
5	Total Common Stock Equity	83,755,206	79,788,855	64,936,560	5
6	Long-Term Debt	108,000,000	86,000,000	79,000,000	6
7	Total Capitalization	191,755,206	165,788,855	143,936,560	7
	Current Liabilities				
8	Accounts Payable - Net	11,057,084	13,438,389	13,972,847	8
9	Intercompany Payables - Net	6,782,852	3,396,262	4,618,400	9
10	Interest Accrued	2,870,339	1,889,587	1,770,280	10
11	Income Taxes Accrued	(107,696)	(787,205)	(14,981)	11
12	Other Taxes Accrued	1,705,497	1,615,280	1,597,695	12
13	Customer Deposits	4,082,476	3,732,151	3,875,064	13
14	Derivative Instrument Liabilities	18,156,030	733,099	0	14
15	Other	3,348,770	2,526,184	2,299,822	15
16	Total Current Liabilities	47,895,352	26,543,747	28,119,127	16
	Deferred Credits and Other Liabilities				
17	Customer Advances for Construction	12,605,744	12,102,773	11,025,375	17
18	Other Regulatory Liabilities	7,537,488	19,122,126	11,408,335	18
19	Accumulated Deferred Income Taxes	10,272,625	5,886,997	4,263,085	19
20	Other	12,703,130	4,105,324	3,762,777	20
21	Total Deferred Credits and Other Liabilities	43,118,987	41,217,220	30,459,572	21
22	Total Liabilities and Stockholders' Equity	\$282,769,545	\$233,549,822	\$202,515,259	22

UNS Electric, Inc.
Comparative Income Statements
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31,	Prior Years Ended December 31,		Line No.
		2008	2007	2006	
(a)	Operating Revenues				
1	Electric Retail Revenues	\$181,638,915	\$185,145,363	\$157,836,347	1
2	Sales for Resale	10,168,115	234,273	244,910	2
3	Other Operating Revenue	3,103,658	3,579,133	1,685,143	3
4	Total Operating Revenues	194,910,688	188,958,769	159,766,400	4
(a)	Operating Expenses				
5	Fuel, Purchased Power & Transmission	143,362,723	118,202,312	113,298,260	5
6	Other Operations and Maintenance Expense	21,409,649	21,821,189	18,818,828	6
7	Depreciation and Amortization	14,429,415	14,058,503	11,209,910	7
8	Taxes Other than Income Taxes	3,680,634	3,405,522	3,305,592	8
9	Income Taxes	2,081,685	2,287,495	3,130,229	9
10	Total Operating Expenses	184,964,106	159,775,021	149,762,819	10
11	Operating Income	9,946,582	9,183,748	10,003,581	11
	Total Other Income and Deductions				
12	Allowance for Equity Funds	322,168	442,088	516,726	12
13	Other - Net	76,881	828,932	(175,904)	13
14	Total Other Income and Deductions	399,049	1,271,020	340,822	14
15	Income Before Interest Expense	10,345,631	10,454,768	10,344,403	15
	Interest Expense				
16	Interest on Long Term-Debt	6,546,248	6,272,775	5,482,185	16
17	Other Interest Expense	217,612	167,435	347,700	17
18	Allowance for Borrowed Funds	(181,815)	(739,701)	(590,441)	18
19	Total Interest Expense	6,582,045	5,700,509	5,239,444	19
20	Net Income Available for Common Stock	\$3,763,586	\$4,754,259	\$5,104,959	20
21	Earnings Per Share of Average Common Stock Outstanding	(1)	N/A	N/A	21

(1) UNS Electric, Inc. is a subsidiary of UniSource Energy Corporation and has no publicly traded stock; thus such information is not meaningful.

Supporting Schedules

(a) E-6
E-9

Recap Schedules

A-2

A-5

UNIS Electric, Inc.
Comparative Statements of Changes in Stockholders' Equity (Deficit)
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006
(Thousands of Dollars, except shares outstanding)

Line No.	Description	Common Stock Shares Outstanding	Common Stock Amount	Premium on Common Stock	Common Stock Expense	Accumulated Earnings or (Deficit)	Comprehensive Income	Total Common Stock Equity or (Deficit)	Line No.
1	Balance, December 31, 2005	1,000	\$38,617	\$0	\$0	\$11,281	\$0	\$49,898	1
2	Net Income for Year					5,105		5,105	2
3	Dividend Declared					0		0	3
4	Equity in Earnings					0		0	4
5	Minimum Pension Liability Adjustment						(66)	(66)	5
6	Equity Contribution from UniSource Energy Services		10,000					10,000	6
7	Other	0	0					0	7
8	Balance, December 31, 2006	1,000	48,617	0	0	16,386	(66)	64,937	8
9	Net Income for Year					4,754		4,754	9
10	Dividend Declared					0		0	10
11	Equity in Earnings					0		0	11
12	Minimum Pension Liability Adjustment						98	98	12
13	Equity Contribution from UniSource Energy Services		10,000					10,000	13
14	Other	0	0					0	14
15	Balance, December 31, 2007	1,000	58,617	0	0	21,140	32	79,789	15
16	Net Income for Year					3,764		3,764	16
17	Dividend Declared					0		0	17
18	Equity in Earnings							0	18
19	Pension Plan Measurement Date Change (FAS 158)					(36)		(36)	19
20	Minimum Pension Liability Adjustment						(32)	(32)	20
21	Equity Contribution from UniSource Energy Services		270					270	21
22	Balance, December 31, 2008	1,000	\$58,887	\$0	\$0	\$24,868	\$0	\$83,755	22

Supporting Schedules
N/ARecap Schedules
N/A

UNS Electric, Inc.
Detail of Electric Utility Plant - Summary Statement
Test Year Ended December 31, 2008

Line No.	Description	December 31, 2008 (a)	Net Additions (a)	December 31, 2007 (a)	Line No.
1	Utility Plant in Service				1
	Intangible Plant	\$7,674,489	(\$3,059,845)	\$10,734,334	
2	Other Production Plant	26,588,575	124,716	26,463,859	2
3	Transmission Plant	56,687,630	601,401	56,086,229	3
4	Distribution Plant	333,221,584	20,379,337	312,842,247	4
5	General Plant	22,741,278	(197,734)	22,939,012	5
6	Gross Plant in Service	446,913,556	17,847,875	429,065,681	6
7	Construction Work in Progress	18,758,596	4,363,112	14,395,484	7
8	Plant Held for Future Use	610,695	549,949	60,746	8
9	Utility Plant Under Capital Leases	730,678	0	730,678	9
10	Citizens Acquisition Discount	(104,266,123)	0	(104,266,123)	10
11	Total Utility Plant	362,747,402	22,760,936	339,986,486	11
12	Accumulated Depreciation and Amortization	(193,348,359)	(13,097,043)	(180,251,316)	12
13	Accumulated Amortization - Capital Leases	(517,563)	(91,335)	(426,228)	13
14	Accumulated Amort. - Citizens Acquisition Discount	23,513,716	4,312,160	19,201,556	14
15	Total Accumulated Depreciation and Amortization	(170,352,206)	(8,876,218)	(161,475,988)	15
16	Total Net Utility Plant in Service	\$192,395,196	\$13,884,718	\$178,510,478	16

Supporting Schedules
(a) E-5 (P2-4)

Recap Schedules
E-1

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
Utility Plant in Service						
1	302	Intangible Plant				1
2	303	Franchises & Consents	\$0	(\$11,908)	\$11,908	2
3		Miscellaneous Intangible Plant	7,674,489	(3,047,937)	10,722,426	3
		Total Intangible Plant	7,674,489	(3,059,845)	10,734,334	
Other Production Plant						
4	340	Land & Rights	205,436	104,633	100,803	4
5	341	Structures & Improvements	1,969,407	0	1,969,407	5
6	342	Fuel Holders, Producers, & Accessories	847,308	0	847,308	6
7	343	Prime Movers	13,419,272	20,083	13,399,189	7
8	344	Generators	6,304,468	0	6,304,468	8
9	345	Accessory Electric Equipment	2,513,408	0	2,513,408	9
10	346	Misc. Power Plant Equipment	1,329,276	0	1,329,276	10
11		Total Other Production Plant	26,588,575	124,716	26,463,859	11
Transmission Plant						
12	350	Land & Rights	1,431,088	175,205	1,255,883	12
13	352	Structures & Improvements	427,830	0	427,830	13
14	353	Station Equipment	18,912,564	(37,451)	18,950,015	14
15	354	Towers & Fixtures	521,825	0	521,825	15
16	355	Poles & Fixtures	20,666,171	5,455,521	15,210,650	16
17	356	Overhead Conductors & Devices	14,516,855	(4,991,874)	19,508,729	17
18	358	Underground Conductors & Devices	27,437	0	27,437	18
19	359	Roads & Trails	183,860	0	183,860	19
20		Total Transmission Plant	56,687,630	601,401	56,086,229	20
Distribution Plant						
21	360	Land & Rights	1,354,701	20,341	1,334,360	21
22	361	Structures & Improvements	5,690,805	241,820	5,448,985	22
23	362	Station Equipment	39,478,232	4,519,778	34,958,454	23
24	364	Poles, Towers, & Fixtures	85,011,451	3,515,378	81,496,073	24
25	365	Overhead Conductors & Devices	58,977,790	2,297,391	56,680,399	25
26	366	Underground Conduit	16,265,133	1,110,611	15,154,522	26
27	367	Underground Conductors & Devices	37,799,476	3,102,358	34,697,118	27
28	368	Line Transformers	62,000,112	3,931,964	58,068,148	28
29	369	Services	13,400,906	2,150,002	11,250,904	29
30	370	Meters	9,135,761	(723,197)	9,858,958	30
31	373	Street Lights and Signal Systems	4,107,217	212,891	3,894,326	31
32		Total Distribution Plant	333,221,584	20,379,337	312,842,247	32

Supporting Schedules
N/A

Recap Schedules
E-5 (P1)

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
33	389	General Plant				33
34	390	Land & Rights	45,767	(11,813)	57,580	34
35	391	Structures & Improvements	2,611,428	140,573	2,470,855	35
36	392	Office Furniture & Equipment	2,245,083	(879,393)	3,124,456	36
37	393	Transportation Equipment	9,443,355	1,313,260	8,130,095	37
38	394	Stores Equipment	118,860	(6,381)	125,241	38
39	395	Tools, Shop, & Garage Equipment	2,666,594	(66,958)	2,733,552	39
40	396	Laboratory Equipment	1,430,917	41,550	1,389,367	40
41	397	Power Operated Equipment	1,879,461	242,197	1,637,264	41
42	398	Communication Equipment	2,175,606	(945,858)	3,121,464	42
43		Miscellaneous Equipment	124,227	(24,911)	149,138	43
		Total General Plant	22,741,278	(197,734)	22,939,012	
44		Total Electric Plant in Service	\$446,913,556	\$17,847,875	\$429,065,681	44

Supporting Schedules
N/A

Recap Schedules
E-5 (P1)

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
1	302	Citizens Acquisition Discount				1
2	303	Intangible Plant	(\$6,564)	\$0	(\$6,564)	2
3		Franchises & Consents	(2,461,277)	0	(2,461,277)	3
		Miscellaneous Intangible Plant	(2,467,841)	0	(2,467,841)	
		Total Intangible Plant				
4	340	Other Production Plant				4
5	341	Land & Rights	(422,116)	0	(422,116)	5
6	342	Structures & Improvements	(149,938)	0	(149,938)	6
7	343	Fuel Holders, Producers, & Accessories	(301,386)	0	(301,386)	7
8	344	Prime Movers	(3,600,013)	0	(3,600,013)	8
9	345	Generators	(1,152,606)	0	(1,152,606)	9
10	346	Accessory Electric Equipment	(729,249)	0	(729,249)	10
11		Misc. Power Plant Equipment	(244,813)	0	(244,813)	11
		Total Other Production Plant	(6,600,121)	0	(6,600,121)	
12	350	Transmission Plant				12
13	352	Land & Rights	(704,372)	0	(704,372)	13
14	353	Structures & Improvements	(33,630)	0	(33,630)	14
15	354	Station Equipment	(5,911,873)	0	(5,911,873)	15
16	355	Towers & Fixtures	(236,215)	0	(236,215)	16
17	356	Poles & Fixtures	(3,190,115)	0	(3,190,115)	17
18	358	Overhead Conductors & Devices	(3,718,428)	0	(3,718,428)	18
19	359	Underground Conductors & Devices	0	0	0	19
20		Roads & Trails	(65,832)	0	(65,832)	20
		Total Transmission Plant	(13,860,465)	0	(13,860,465)	
21	360	Distribution Plant				21
22	361	Land & Rights	(642,985)	0	(642,985)	22
23	362	Structures & Improvements	(1,561,939)	0	(1,561,939)	23
24	364	Station Equipment	(9,648,864)	0	(9,648,864)	24
25	365	Poles, Towers, & Fixtures	(22,655,802)	0	(22,655,802)	25
26	366	Overhead Conductors & Devices	(13,519,363)	0	(13,519,363)	26
27	367	Underground Conduit	(4,511,041)	0	(4,511,041)	27
28	368	Underground Conductors & Devices	(5,562,021)	0	(5,562,021)	28
29	369	Line Transformers	(10,741,931)	0	(10,741,931)	29
30	370	Services	(4,012,470)	0	(4,012,470)	30
31	373	Meters	(3,060,324)	0	(3,060,324)	31
32		Street Lights and Signal Systems	(1,198,936)	0	(1,198,936)	32
		Total Distribution Plant	(77,115,676)	0	(77,115,676)	

Supporting Schedules
N/A

Recap Schedules
E-5 (P1)

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
Citizens Acquisition Discount						
33	389	General Plant				33
34	390	Land & Rights	(31,735)	0	(31,735)	34
35	391	Structures & Improvements	(633,826)	0	(633,826)	35
36	392	Office Furniture & Equipment	(1,133,957)	0	(1,133,957)	36
37	393	Transportation Equipment	(522,769)	0	(522,769)	37
38	394	Stores Equipment	(40,540)	0	(40,540)	38
39	395	Tools, Shop, & Garage Equipment	(859,128)	0	(859,128)	39
40	396	Laboratory Equipment	(361,879)	0	(361,879)	40
41	397	Power Operated Equipment	(172,278)	0	(172,278)	41
42	398	Communication Equipment	(443,854)	0	(443,854)	42
43		Miscellaneous Equipment	(22,054)	0	(22,054)	43
		Total General Plant	(4,222,020)	0	(4,222,020)	
44		Total Electric Plant in Service	(\$104,266,123)	\$0	(\$104,266,123)	44

Supporting Schedules
N/A

Recap Schedules
E-5 (P1)

UNS Electric, Inc.
Comparative Departmental Operating Income Statements
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31,	Prior Years Ended December 31,		Line No.
		2008	2007	2006	
Operating Revenues					
1	Electric Retail Revenues				1
2	Residential	\$92,231,621	\$85,759,676	\$80,963,265	2
3	Commercial	69,412,607	63,570,755	61,609,184	3
4	Industrial	19,626,605	15,431,353	14,790,709	4
5	Public Street & Highway Lighting	368,082	383,579	473,189	5
6	Total Retail Revenues	181,638,915	165,145,363	157,836,347	6
7	Sales for Resale	10,168,115	234,273	244,910	7
8	Other Operating Revenue	3,103,658	3,579,133	1,685,143	8
9	Total Operating Revenues	194,910,688	168,958,769	159,766,400	9
Operating Expenses					
10	Fuel, Purchased Power & Transmission	143,362,723	118,202,312	113,298,260	10
11	Other Operations and Maintenance Expense	21,409,649	21,821,189	18,818,828	11
12	Depreciation and Amortization	14,429,415	14,058,503	11,209,910	12
13	Taxes Other than Income Taxes	3,680,634	3,405,522	3,305,592	13
14	Income Taxes	2,081,685	2,287,495	3,130,229	14
15	Total Operating Expenses	184,964,106	159,775,021	149,762,819	15
16	Operating Income	\$9,946,582	\$9,183,748	\$10,003,581	16

Supporting Schedules
N/A

Recap Schedules
E-2

UNS Electric, Inc.
Electric Operating Statistics
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31,	Prior Years Ended December 31,		Line No.
		2008	2007	2006	
kWh Sales					
1	Residential	821,890,198	853,498,581	803,354,009	1
2	Commercial	619,278,699	626,488,214	609,828,702	2
3	Industrial	219,002,990	198,728,216	191,171,477	3
4	Public Street & Highway Lighting	3,145,228	3,116,797	3,275,362	4
5	Total	<u>1,663,317,115</u>	<u>1,681,831,808</u>	<u>1,607,629,550</u>	5
Average Number of Customers					
6	Residential	78,373	78,031	75,702	6
7	Commercial	9,815	9,467	8,640	7
8	Industrial	17	14	15	8
9	Public Street & Highway Lighting	1,781	1,960	2,528	9
10	Total	<u>89,986</u>	<u>89,472</u>	<u>86,885</u>	10
Average Annual kWh Use					
11	Residential	10,487	10,938	10,612	11
12	Commercial	63,096	66,176	70,582	12
13	Industrial	12,695,826	14,194,873	12,744,765	13
14	Public Street & Highway Lighting	1,766	1,590	1,296	14
15	Total	<u>18,484</u>	<u>18,797</u>	<u>18,503</u>	15
16	Average Annual Revenue per Residential Customer	\$1,024	\$1,098	\$1,068	16
Direct Production Expenses					
17	Per Retail and Wholesale kWh Sold (cents) (Expenses are primarily purchased power)	7.53	6.75	6.66	17
Direct Transmission Expenses					
18	Per Retail and Wholesale kWh Sold (cents) (Expenses are primarily transmission of electricity by others)	0.46	0.46	0.46	18

Supporting Schedules
N/A

Recap Schedules
N/A

UNS Electric, Inc.
Taxes Charged to Operations
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31, 2008	Prior Years Ended December 31,		Line No.
			2007	2006	
	Federal Taxes				
1	Income	(\$3,812,582)	\$1,817,863	\$4,999,172	1
2	Unemployment	5,619	5,350	5,207	2
3	FICA	398,755	355,213	339,566	3
4	Deferred Income Taxes	5,191,492	46,564	(2,436,520)	4
5	Total	1,783,284	2,224,980	2,907,425	5
	State Taxes				
6	Income	(139,010)	318,033	891,361	6
7	Unemployment	6,428	7,196	7,735	7
8	Deferred Income Taxes	841,785	105,036	(323,783)	8
9	Total	709,203	430,265	575,313	9
	Local Taxes				
10	Real and Personal Property	3,186,420	3,033,234	2,950,175	10
11	Other	83,413	4,529	2,908	11
12	Total	3,269,833	3,037,763	2,953,083	12
13	Total Taxes Charged to Operating Expenses	\$5,762,320	\$5,693,018	\$6,435,821	13

Note: Taxes and assessments related to sales of energy are not included in revenues or other tax expense categories.

Supporting Schedules Recap Schedules
N/A E-2

UNS Electric, Inc.
Test Year Ended December 31, 2008
Notes to Financial Statements

See the attached FERC Form 1 as of December 31, 2008.

Supporting Schedules
N/A

Recap Schedules
N/A

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2011)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2011)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 1/31/2012)



FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

UNS Electric, Inc.

Year/Period of Report

End of 2008/Q4

IDENTIFICATION

ANNUAL CORPORATE OFFICER CERTIFICATION

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
LIST OF SCHEDULES (Electric Utility)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103	N/A	
4	Officers	104		
5	Directors	105		
6	Important Changes During the Year	108-109		
7	Comparative Balance Sheet	110-113		
8	Statement of Income for the Year	114-117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statement of Cash Flows	120-121		
11	Notes to Financial Statements	122-123		
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)		
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201		
14	Nuclear Fuel Materials	202-203	N/A	
15	Electric Plant in Service	204-207		
16	Electric Plant Leased to Others	213	N/A	
17	Electric Plant Held for Future Use	214		
18	Construction Work in Progress-Electric	216		
19	Accumulated Provision for Depreciation of Electric Utility Plant	219		
20	Investment of Subsidiary Companies	224-225	N/A	
21	Materials and Supplies	227		
22	Allowances	228-229	N/A	
23	Extraordinary Property Losses	230	N/A	
24	Unrecovered Plant and Regulatory Study Costs	230	N/A	
25	Transmission Service and Generation Interconnection Study Costs	231		
26	Other Regulatory Assets	232		
27	Miscellaneous Deferred Debits	233		
28	Accumulated Deferred Income Taxes	234		
29	Capital Stock	250-251		
30	Other Paid-in Capital	253		
31	Capital Stock Expense	254	N/A	
32	Long-Term Debt	256-257		
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261		
34	Taxes Accrued, Prepaid and Charged During the Year	262-263		
35	Accumulated Deferred Investment Tax Credits	266-267	N/A	
36	Other Deferred Credits	269		

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	N/A
38	Accumulated Deferred Income Taxes-Other Property	274-275	
39	Accumulated Deferred Income Taxes-Other	276-277	
40	Other Regulatory Liabilities	278	
41	Electric Operating Revenues	300-301	
42	Sales of Electricity by Rate Schedules	304	
43	Sales for Resale	310-311	
44	Electric Operation and Maintenance Expenses	320-323	
45	Purchased Power	326-327	
46	Transmission of Electricity for Others	328-330	
47	Transmission of Electricity by ISO/RTOs	331	N/A
48	Transmission of Electricity by Others	332	
49	Miscellaneous General Expenses-Electric	335	
50	Depreciation and Amortization of Electric Plant	336-337	
51	Regulatory Commission Expenses	350-351	
52	Research, Development and Demonstration Activities	352-353	N/A
53	Distribution of Salaries and Wages	354-355	
54	Common Utility Plant and Expenses	356	N/A
55	Amounts included in ISO/RTO Settlement Statements	397	N/A
56	Purchase and Sale of Ancillary Services	398	
57	Monthly Transmission System Peak Load	400	
58	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
59	Electric Energy Account	401	
60	Monthly Peaks and Output	401	
61	Steam Electric Generating Plant Statistics	402-403	
62	Hydroelectric Generating Plant Statistics	406-407	N/A
63	Pumped Storage Generating Plant Statistics	408-409	N/A
64	Generating Plant Statistics Pages	410-411	N/A
65	Transmission Line Statistics Pages	422-423	
66	Transmission Lines Added During the Year	424-425	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Substations	426-427	
68	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input type="checkbox"/> Four copies will be submitted</p> <p><input checked="" type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Karen Kissinger, Vice President and Controller
3950 E. Irvington Road
Tucson, Arizona 85714

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Arizona, January 14, 2003

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable.

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric Utility Service within the State of Arizona.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) ☐ Yes...Enter the date when such independent accountant was initially engaged:
(2) ☒ No

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

As of December 31, 2008, UNS Electric, Inc. was 100% owned by Unisource Energy Services, Inc. which is 100% owned by UniSource Energy Corporation.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
OFFICERS					
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>					
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)		
1	President	James S. Pignatelli*	726,000		
2	Vice President and Secretary	Raymond S. Heyman	316,000		
3	Vice President and Treasurer	Kevin P. Larson	316,000		
4	Vice President and Controller	Karen G. Kissinger	249,000		
5	Vice President and General Manager	Thomas J. Ferry*			
6	Vice President	Thomas A. McKenna	193,000		
7	Vice President	David G. Hutchens	206,000		
8	Vice President	Philip J. Dion*	175,000		
9					
10	See Footnote				
11					
12	The reported salaries are presented in total for each				
13	employee. Only a portion thereof is allocated to				
14	UNS Electric, Inc.				
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 10 Column: a

Thomas J. Ferry, V.P. and GM retired effective February 1, 2008. Effective March 1, 2008, Philip Dion was elected Vice President. James S. Pignatelli retired effective December 2008. Paul J. Bonavia became President in January 2009.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
DIRECTORS				
<p>1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>				
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)		
1	James S. Pignatelli, President	Tucson, Arizona		
2	Michael J. DeConcini, Sr. Vice President	Tucson, Arizona		
3	Raymond S. Heyman, Vice President and Secretary	Tucson, Arizona		
4				
5	See Footnote			
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 105 Line No.: 5 Column: a

The UNN Electric Board does not have an Executive Committee. James S. Pignatelli retired effective December 2008. Paul J. Bonavia became President in January 2009.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/18/2009	Year/Period of Report End of 2008/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</p> <p>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</p> <p>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</p> <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</p> <p>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</p> <p>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</p> <p>11. (Reserved.)</p> <p>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</p> <p>13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</p> <p>14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</p>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNSE Electric, Inc.			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. None
4. None
5. UNS Electric completed construction of 9.03 miles (47,721 feet) of 69kV transmission line on single pole steel structures. The line was energized on Sept. 16, 2008. The line was constructed for the purpose of providing Mercator Mine with the additional load requirements needed for their phase I mining expansion. The mine will be ramping up from approx. 8MW to 20/25 MW at full Phase I expansion. No state territory was added or relinquished and there were no customers added or lost in association with this additional line.
6. On August 7, 2008, UNS Electric issued \$100 million of senior unsecured debt; \$50 million at 6.5%, due 2015 and \$50 million at 7.1%, due 2023 (UNS Electric 2008 Long-Term Debt). The UNS Electric 2008 Long-Term Debt is guaranteed by UES. The debt was issued under ACC Decision No. 69395 dated March 22, 2007. See Note 6 Debt and Capital Lease Obligations.
7. None
8. Both union and non-union employees received an average wage increase of approximately 3% in January 2008.
9. There are no material pending legal or regulatory proceedings to which UNSE is a party, other than the following which are described in Note 2 Regulatory Matters or Note 4 Commitments:
 - 2008 Rate Order
 - Purchased Power and Fuel Adjustment Clause (PPFAC)
 - Purchased Power Agreement
 - Income Statement impact of applying FAS 71
 - Fuel and power transactions
10. None
11. N/A
12. See notes on pages 122 and 123.
13. Gail Boswell was elected Assistant Treasurer on May 2, 2008. Tom Ferry retired as Vice President and General Manager effective February 1 2008. James S. Pignatelli, President, retired effective December 31, 2008. Paul J. Bonavia was elected President effective January 1, 2009.
14. N/A

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	448,254,929	429,857,106
3	Construction Work in Progress (107)	200-201	18,758,596	14,395,484
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		467,013,525	444,252,590
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	274,618,330	265,742,112
6	Net Utility Plant (Enter Total of line 4 less 5)		192,395,195	178,510,478
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		192,395,195	178,510,478
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		521,164	629,027
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		1,517,124	7,779,094
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		2,038,288	8,408,121
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		4,635,779	1,563,904
36	Special Deposits (132-134)		6,631,340	11,340
37	Working Fund (135)		28,623	20,784
38	Temporary Cash Investments (136)		4,170,669	1,102,702
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		10,890,931	10,843,445
41	Other Accounts Receivable (143)		887,753	421,379
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,378,758	848,012
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		4,052,567	243,223
45	Fuel Stock (151)	227	20,661	22,302
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	8,196,620	7,297,703
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) 04/18/2009	Year/Period of Report end of 2008/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	10	10
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	58,886,661	58,616,661
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	24,868,535	21,140,651
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	31,533
16	Total Proprietary Capital (lines 2 through 15)		83,755,206	79,788,855
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	108,000,000	86,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		108,000,000	86,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		147,247	258,073
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		129,718	37,848
29	Accumulated Provision for Pensions and Benefits (228.3)		3,586,685	1,816,662
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		8,730,905	1,651,215
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		12,594,555	3,763,798
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		11,057,084	13,438,389
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		6,782,852	3,396,262
41	Customer Deposits (235)		4,082,476	3,732,151
42	Taxes Accrued (236)	262-263	1,597,801	828,075
43	Interest Accrued (237)		2,870,339	1,889,587
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		2,381,342	1,722,523
48	Miscellaneous Current and Accrued Liabilities (242)		864,429	706,639
49	Obligations Under Capital Leases-Current (243)		102,999	97,022
50	Derivative Instrument Liabilities (244)		26,886,935	2,384,314
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		8,730,905	1,651,215
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		47,895,352	26,543,747
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		12,605,744	12,102,773
57	Accumulated Deferred Investment Tax Credits (255)	266-267	0	0
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	108,575	341,526
60	Other Regulatory Liabilities (254)	278	7,537,488	19,122,126
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		10,390,411	5,648,809
64	Accum. Deferred Income Taxes-Other (283)		-117,786	238,188
65	Total Deferred Credits (lines 56 through 64)		30,524,432	37,453,422
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		282,769,545	233,549,822

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
STATEMENT OF INCOME						
<p>Quarterly</p> <p>1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.</p> <p>2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.</p> <p>3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.</p> <p>4. If additional columns are needed place them in a footnote.</p> <p>Annual or Quarterly if applicable</p> <p>5. Do not report fourth quarter data in columns (e) and (f)</p> <p>6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.</p>						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	194,910,688	168,958,769		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	162,097,302	135,881,877		
5	Maintenance Expenses (402)	320-323	2,616,736	4,141,624		
6	Depreciation Expense (403)	336-337	17,444,031	16,923,124		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	1,217,115	1,422,650		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	-4,231,731	-4,287,271		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		58,333			
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	3,680,634	3,405,522		
15	Income Taxes - Federal (409.1)	262-263	-3,812,582	1,817,863		
16	- Other (409.1)	262-263	-139,010	318,033		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	12,945,552	3,788,564		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	6,912,276	3,636,965		
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		184,964,104	159,775,021		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		9,946,584	9,183,748		

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		9,946,584	9,183,748			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		651	-6,218			
33	Revenues From Nonutility Operations (417)		228,035	78,651			
34	(Less) Expenses of Nonutility Operations (417.1)		153,116	35,024			
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)		207,301	289,104			
38	Allowance for Other Funds Used During Construction (419.1)		322,168	442,088			
39	Miscellaneous Nonoperating Income (421)						
40	Gain on Disposition of Property (421.1)		202,205	1,389,950			
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		805,942	2,170,987			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)	340					
45	Donations (426.1)	340	79,201	45,318			
46	Life Insurance (426.2)						
47	Penalties (426.3)						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		751	7,199			
49	Other Deductions (426.5)			1,080			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		79,952	53,597			
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263					
53	Income Taxes-Federal (409.2)	262-263	268,323	694,622			
54	Income Taxes-Other (409.2)	262-263	58,618	151,748			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277					
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277					
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		326,941	846,370			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		399,049	1,271,020			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		6,379,163	6,053,308			
63	Amort. of Debt Disc. and Expense (428)		167,085	219,467			
64	Amortization of Loss on Reacquired Debt (428.1)						
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)	340					
68	Other Interest Expense (431)	340	217,612	167,435			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		181,815	739,701			
70	Net Interest Charges (Total of lines 62 thru 69)		6,582,045	5,700,509			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		3,763,588	4,754,259			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		3,763,588	4,754,259			

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		21,140,651	16,386,392
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	FAS 158 Pension Plan Change		-35,703	
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)		-35,703	
16	Balance Transferred from Income (Account 433 less Account 418.1)		3,763,587	4,754,259
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unappropri. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		24,868,535	21,140,651
	APPROPRIATED RETAINED EARNINGS (Account 215)			

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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	3,764,000	4,754,000
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	13,574,000	13,020,000
5	Amortization of Deferred Debt-Related Costs	154,000	219,000
6	Provision for Bad Debt	1,201,000	763,000
7	Other	-1,127,000	8,505,000
8	Deferred Income Taxes (Net)	6,034,000	152,000
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	-6,232,000	-1,977,000
11	Net (Increase) Decrease in Inventory	-1,306,000	160,000
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	2,633,000	-1,209,000
14	Net (Increase) Decrease in Other Regulatory Assets	-25,058,000	-395,000
15	Net Increase (Decrease) in Other Regulatory Liabilities	-11,585,000	7,714,000
16	(Less) Allowance for Other Funds Used During Construction	322,000	442,000
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	31,391,000	-9,270,000
19			
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	13,121,000	21,994,000
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-29,664,000	-37,582,000
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant	108,000	-629,000
30	(Less) Allowance for Other Funds Used During Construction	-322,000	-442,000
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-29,234,000	-37,769,000
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38	Proceeds from Sale of Land	80,000	1,376,000
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-29,154,000	-36,393,000
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	100,000,000	
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65	Borrowings under Revolving Credit Facility	26,000,000	14,000,000
66	Net Increase in Short-Term Debt (c)		
67	Other	1,326,000	2,835,000
68	Equity Investment from UniSource Energy		10,000,000
69	Equity Investment in UNS Electric	270,000	
70	Cash Provided by Outside Sources (Total 61 thru 69)	127,596,000	26,835,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-60,000,000	
74	Preferred Stock		
75	Common Stock		
76	Other	-1,320,000	-7,512,000
77	Payment to Retire Capital Lease Obligation	-104,000	-85,000
78	Net Decrease in Short-Term Debt (c)		
79	Borrowings under Revolving Credit Facility	-44,000,000	-7,000,000
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	22,172,000	12,238,000
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	6,139,000	-2,161,000
87			
88	Cash and Cash Equivalents at Beginning of Period	2,667,000	4,828,000
89			
90	Cash and Cash Equivalents at End of period	8,806,000	2,667,000

Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: a

	2008	2007
Current Assets	\$ 16,479,000	\$
Current Liabilities	14,912,000	(9,270,000)
	\$ 31,391,000	\$ (9,270,000)

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/18/2009	Year/Period of Report End of 2008/Q4
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2008	Year/Period of Report 2008/Q4
UNs Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less.

The "Cash and Cash Equivalents" on page 121 agrees to the Comparative Balance Sheet on page 110.

Cash (Account 131)	\$ 4,635,779
Temporary Cash Investments (Account 136)	\$ 4,170,669
Total Cash and Cash Equivalents at End of Period	\$ 8,806,448

Page 120, Instruction 3:

Interest Paid (Net of Amounts Capitalized)	\$ 4,998,000
Income Taxes Paid	\$ 1,200,000

Page 122, Instruction 2:

See Note 7, Commitments and Contingencies in the Notes to the Financial Statements.

Page 122, Instruction 6:

Notes to the Financial Statements as follows:

NOTE 1. NATURE OF OPERATIONS

UNs Electric, Inc. (UNs Electric) is an electric transmission and distribution company serving approximately 90,000 retail customers in Mohave and Santa Cruz counties. UniSource Energy Services, Inc. (UES), an intermediate holding company, owns all of the common stock of UNs Electric and UNs Gas, Inc. UniSource Energy Corporation (UniSource Energy) owns all of the common stock of UES.

References to "we" and "our" are to UNs Electric.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Our accounting policies conform to accounting principles generally accepted in the United States of America (GAAP), including the accounting principles for rate-regulated enterprises. These financial statements include UNs Electric's accounts which are prepared in accordance with the accounting requirements from the Federal Energy Regulatory Commission (FERC) as stated in its applicable Uniform System of Accounts and published accounting releases. The basis of accounting differs from financial statements under accounting principles generally accepted in the United States of America (GAAP) in significant respects. Following are the FERC to GAAP differences:

- **Statement of Cash Flows Difference**

The Statement of Cash Flows included in the financial statements differs from the GAAP presentation. The FERC requires the use of the indirect method to reconcile net income to cash provided by or used in operating activities while GAAP encourages the use of the direct method with a reconciliation of net income to net cash from the operating activities as a supplemental schedule.

- **Asset Retirement Obligation**

The accumulated net removal costs for UNs Electric's regulated plant assets that do not meet the definition of an asset retirement obligation under SFAS 143 are classified as a regulatory liability under GAAP and as accumulated depreciation under FERC.

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UNs Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

• **Other Differences**

The FERC requires current maturities of long-term debt to be classified as long-term debt, while GAAP requires such maturities to be classified as a current liability. Accumulated deferred income taxes are classified as current and non-current for GAAP, while FERC classifies all accumulated deferred taxes as non-current. Accumulated deferred income tax assets may not be netted against accumulated deferred income tax liabilities.

ACCOUNTING FOR RATE REGULATION

The Arizona Corporation Commission (ACC) and the Federal Energy Regulatory Commission (FERC) regulate portions of UNS Electric's utility accounting practices and electric rates. The ACC has authority over certain rates charged to retail customers, the issuance of securities, and transactions with affiliated parties. The FERC regulates UNS Electric's rates for wholesale power sales and interstate transmission services.

UNS Electric generally uses the same accounting policies and practices used by unregulated companies for financial reporting under GAAP. However, sometimes these principles, such as the Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation* (FAS 71), require special accounting treatment for regulated companies to show the effect of regulation. For example, in setting UNS Electric's retail rates, the ACC may not allow UNS Electric to currently charge our customers to recover certain expenses, but instead may require that these expenses be charged to customers in the future. In this situation, FAS 71 requires that UNS Electric defer these items and show them as regulatory assets on the balance sheet until we are allowed to charge our customers. UNS Electric then amortizes these items as expense to the income statement as those charges are recovered from customers. Similarly, certain revenue items may be deferred as regulatory liabilities, which are also eventually amortized to the income statement as rates to customers are reduced.

The conditions a regulated company must satisfy to apply the accounting policies and practices of FAS 71 include:

- an independent regulator sets rates;
- the regulator sets the rates to recover the specific costs of providing service; and
- the service territory lacks competitive pressures to reduce rates below the rates set by the regulator.

FAS 71 may, at some future date, be discontinued due to changes in the regulatory and competitive environments. If UNS Electric stopped applying FAS 71 to its regulated operations, it would write off the related balances of its regulatory assets as an expense and would write off its regulatory liabilities as income on its income statement. UNS Electric's cash flows would not be affected if it stopped applying FAS 71 unless a regulatory order limited its ability to recover the cost of its regulatory assets. We believe our electric operations continue to meet the criteria for FAS 71. See Note 3.

UTILITY PLANT

UNS Electric reports its utility plant at cost. Utility plant includes material and labor costs, contractor costs, construction overhead costs, and an allowance for funds used during construction (AFUDC). We charge maintenance and repairs to operating expense as incurred.

AFUDC represents the estimated cost of debt and equity funds that finance utility plant construction. We recover AFUDC in rates through depreciation expense over the useful life of the related asset. UNS Electric imputed the cost of capital on construction expenditures at an average rate of 8.84% for 2008 and 13.51% for 2007. The component of AFUDC attributable to borrowed funds is included as a reduction of Other Interest Expense on the income statement and totaled \$0.2 million in 2008 and \$0.7 million in 2007. The equity component is included in Interest Income and totaled \$0.3 million in 2008 and \$0.4 million in 2007.

We compute depreciation of utility plant on a straight-line basis over the service lives of the assets. The average annual depreciation rates for UNS Electric's utility plant were 4.47% in 2008 and 4.60% in 2007.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
UNS Electric, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/18/2009	2008/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less.

MATERIALS AND SUPPLIES

UNS Electric carries materials and supplies in inventory at the lower of average cost or market.

COMPUTER SOFTWARE COSTS

UNS Electric capitalizes all costs incurred to purchase computer software and amortizes those costs over the estimated economic life of the product. We would immediately expense capitalized computer software costs if the software were determined to be no longer useful.

DEBT

We defer costs related to the issuance of debt. These costs include underwriters' commissions, discounts or premiums, and other costs such as legal, accounting and regulatory fees and printing costs. We amortize these costs over the life of the debt using the straight-line method, which approximates the effective interest method. Unamortized debt issuance costs were \$0.7 million at December 31, 2008 and \$0.2 million at December 31, 2007. See Note 6.

UTILITY OPERATING REVENUES

UNS Electric records utility operating revenues when services are provided or commodities are delivered to customers. Operating revenues include unbilled revenues which are earned (service has been provided) but not billed by the end of an accounting period.

Amounts delivered are determined through systematic monthly readings of customer meters. At the end of the month, the usage since the last meter reading is estimated and the corresponding unbilled revenue is calculated. Unbilled revenue is calculated based on daily generation or purchased volumes, estimated customer usage by class, estimated line losses and estimated average customer rates. Accrued unbilled revenues are reversed the following month when actual billings occur. The accuracy of the unbilled revenue estimate is affected by factors that include fluctuations in energy demands, weather, line losses, and changes in the composition of customer classes.

UNS Electric has rate-adjustment mechanisms in place that allow for a revenue surcharge or surcredit (that adjusts the customer's base rate for delivered purchased power) to collect or return under- or over- recovery of costs. These rate-adjustment mechanisms are revised periodically and may increase or decrease the level of costs recovered through base rates for any difference between the total amount collected under the clauses and the recoverable costs incurred. See Note 3.

We record an allowance for our estimate of revenues billed for which collection is doubtful. UNSE establishes an allowance for doubtful accounts based on historical collection experience and any specific customer collection issues.

Other Revenues primarily consist of miscellaneous fees, including service connection and late fees, and rental revenue from pole attachments.

PURCHASED ENERGY COSTS

UNS Electric defers differences between purchased energy costs and the recovery of such costs in rates. UNS Electric adjusts future billings for such deferrals through the use of a Purchased Power and Fuel Adjustment Clause (PPFAC) approved by the ACC. The PPFAC allows for a revenue surcharge or surcredit (that adjusts the customers' base rate for delivered purchased power) to collect or return under or over recovery of costs.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNIS Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

RELATED PARTY TRANSACTIONS

UNIS Electric receives certain corporate, operation and administrative support services from affiliates. These costs consist primarily of employee compensation and benefits. Tucson Electric Power Company (TEP), a regulated public utility serving retail electric customers in southern Arizona, is UniSource Energy's largest operating subsidiary. Services from TEP totaled \$8 million in 2008 and 2007. Services from UNIS Gas totaled \$0.1 million in 2008 and 2007. Southwest Energy Solutions, Inc., another UniSource Energy affiliate, charged UNIS Electric \$0.9 million in 2008 and \$1 million in 2007 for meter reading services.

In 2008, TEP and UNIS Electric began selling power to each other at prices based on the Dow Jones Four Corners Daily Index. TEP had wholesale power sales to UNIS Electric of \$24 million. UNIS Electric had wholesale power sales of \$9 million to TEP.

In 2008, TEP charged UNIS Electric \$2 million for control area services. No such services were provided in 2007.

In May 2008, UED began providing energy from its Black Mountain Generating Station (BMGS) to UNIS Electric, through a power sale agreement. UED charged UNIS Electric \$7 million for this energy. UNIS Gas charged UNIS Electric \$7 million for gas used by the BMGS facility.

INCOME TAXES

GAAP requires us to report some of our assets and liabilities differently for our financial statements than we do for income tax purposes. We reflect the tax effects of these differences as deferred income tax assets or liabilities in our balance sheets. We measure these deferred tax assets and liabilities using current income tax rates. Federal and state income tax credits are accounted for as a reduction of income tax expense in the year in which the credit arises.

UNIS Electric is a member of the UniSource Energy consolidated income tax filing. UNIS Electric is allocated income taxes based on its taxable income and deductions as reported in the UniSource Energy consolidated and/or combined tax return filings. The tax liability is allocated in accordance with the income tax regulations. As a result, the regular tax liability of UNIS Electric is calculated on a stand alone basis and the liability is then owed to UniSource Energy through intercompany accounts. UniSource Energy has the ultimate responsibility for payment of consolidated tax liabilities to taxing authorities and maintaining intercompany tax accounts with its subsidiaries. The Alternative Minimum Tax (AMT) liability of UNIS Electric is also computed in accordance with tax regulations. This method for allocating consolidated AMT among group members considers the contribution that one member's AMT attributes provide in offsetting the consolidated AMT liability that would otherwise result if the member were not included in the consolidated group.

TAXES OTHER THAN INCOME TAXES

UNIS Electric acts as a conduit or collection agent for excise tax (sales tax) as well as franchise fees and regulatory assessments. UNIS Electric records liabilities payable to governmental agencies when it charges its customers for these amounts. Neither the amounts charged nor payable are reflected in the income statement.

RENEWABLE ENERGY STANDARDS TARIFF (REST)

In June 2008, the ACC approved a REST surcharge for UNIS Electric. The surcharge is intended to recover the cost of qualified renewable expenditures, such as payments to customers who have renewable energy resources or the incremental cost of renewable power generated or purchased by UNIS Electric. To the extent that the surcharge matches qualified renewable expenditures, UNIS Electric recognizes revenue that is reflected in the income statement as Other Revenue. Any surcharge collected in excess of qualified renewable expenditures will be reflected in the financial statements as a regulatory liability. Conversely, qualified renewable expenditures in excess of the REST surcharge will be reflected as a regulatory asset. See Note 3.

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DERIVATIVE FINANCIAL INSTRUMENTS

UNS Electric is exposed to energy price risk associated with its purchased power requirements, volumetric risk associated with its seasonal load and operational risk associated with its power plants, transmission and transportation systems. This risk is mitigated through the PPFAC mechanism which provides an adjustment to UNS Electric's retail rates to recover the actual costs of purchased power, transmission and transportation. UNS Electric further reduces its risks through a variety of derivative and non-derivative instruments. See Note 4.

On the date the company enters into a contract that is considered a derivative instrument, we apply one of the following accounting treatments:

- **Cash Flow Hedges:** UNS Electric has no cash flow hedges.
- **Mark-to-Market transactions:** UNS Electric derivatives such as forward power purchases and gas swaps that did not qualify for cash flow hedge accounting treatment or did not qualify for the normal scope exception. In December 2006, UNS Electric received authorization from the ACC to defer the unrealized gains and losses on the balance sheet as a regulatory asset or a regulatory liability rather than a component of AOCI or in the income statement.

These mark-to-market contracts are subject to specified risk parameters established and monitored by UniSource Energy's Risk Management Committee.

- **Normal Purchase and Normal Sale transactions** are forward energy purchase and sales contracts entered into by UNS Electric to support the current load forecast and entered into with counterparty with load serving requirements or generating capacity. These contracts are not required to be marked-to-market and are accounted for on an accrual basis. On an ongoing basis we evaluate our counterparties for non-performance risk to ensure it does not impact our ability to obtain the normal scope exception.

We consider the effect of counterparty credit risk in determining the fair value of derivative instruments that are in a net asset position, after incorporating collateral posted by counterparties, and allocate the credit risk adjustment to individual contracts. We also incorporate the impact of our own credit risk, after considering collateral posted, on instruments that are in a net liability position and allocate the credit risk adjustment to all individual contracts.

We present cash collateral and derivative assets and liabilities, associated with the same counterparty, separately in our financial statements and we bifurcate all derivatives into their current and long-term portions on the balance sheet.

FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIRVALUE

The carrying amounts of our current assets and liabilities approximate fair value because of the short maturity of these instruments.

UNS Electric's senior unsecured notes of \$100 million outstanding at December 31, 2008 and \$60 million outstanding at December 31, 2007 have estimated fair value of \$97 million and \$60 million, respectively. UNS Electric used quoted market prices, where available, or calculated the present value of remaining cash flows at the balance sheet date using current market rates for bonds with similar characteristics with respect to credit rating and time-to-maturity. In 2008, we also incorporate the impact of our own credit risk using a credit default swap rate when determining the fair value of fixed rate long-term debt.

The use of different market assumptions and/or estimation methodologies may yield different estimated fair value amounts.

Borrowings under the revolving credit facility outstanding of \$8 million at December 31, 2008 have an estimated fair value of \$8 million. UNS Electric considers the principal amounts of variable rate debt to be a reasonable estimate of their fair value.

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EVALUATION OF ASSETS FOR IMPAIRMENT

UNSC Electric evaluates its Utility Plant and other long-lived assets for impairment whenever events or circumstances occur that may indicate the carrying value of the assets may be impaired. If the fair value of the asset, determined based on the undiscounted expected future cash flows, from the long-lived asset is less than the carrying value of the asset, impairment would be recorded.

ASSET RETIREMENT OBLIGATIONS

FASB Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations* (FAS 143) requires entities to record the fair value of a liability for a legal obligation to retire an asset in the period in which the liability is incurred. FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations* (FIN 47), requires entities to record the fair value of a liability regarding a legal obligation to perform asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. We record a liability when we are able to reasonably estimate the fair value of any future obligation to retire as a result of an existing or enacted law, statute, ordinance or contract. We also record a liability for the fair value of a conditional asset retirement obligation if the fair value can be reasonably estimated. When the liability is initially recorded, we capitalize a cost by increasing the carrying amount of the related long-lived asset. Over time, we adjust the liability to its present value by recognizing accretion expense as an operating expense in the income statement each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we either settle the obligation for its recorded amount or incur a gain or loss if the actual costs differ from the recorded liability amount.

UNSC Electric records cost of removal for its transmission and distribution assets through depreciation rates and recovers those amounts in rates charged to its customers. There are no legal obligations associated with these assets. UNSC Electric has recorded its obligation for estimated costs of removal as a component of accumulated depreciation.

RECENTLY ISSUED ACCOUNTING STANDARDS

UNSC Electric adopted the following recently issued accounting standards:

- FAS 157, *Fair Value Measurement*, issued September 2006, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. FAS 157 clarifies that the exchange price is the price in the principal market in which the reporting entity would transact for the asset or liability. See Note 10.
- FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active* – issued and effective October 2008, provides guidance clarifying how FAS 157 *Fair Value Measures* (FAS 157) should be applied in markets that are not active. The guidance reaffirms the notion of fair value as an exit price as of the measurement date. The FSP emphasizes that approaches other than the market value approach to determine fair value, such as the use of management's internal assumptions about future cash flows and appropriately risk-adjusted discount rates, may be appropriate. See Note 10.

The following recently issued accounting standards are not yet reflected in the UNSC Electric financial statements:

- FAS 161, *Disclosures About Derivative Instruments and Hedging Activities* an amendment to FAS 133, *Accounting for Derivative Instruments and Hedging Activities*, issued March 2008, requires enhanced disclosures about an entity's derivative and hedging activity. The standard requires that the objectives for using derivative instruments be disclosed in terms of underlying risk so that the reader understands the purpose of derivative use in terms of the risks that the entity is intending to manage. The standard also requires disclosure of the location in the financial statements of derivative balances as well as the location of gains and losses incurred during the reporting period. The standard will be applicable for fiscal years or interim periods beginning on or after November 15, 2008 with early adoption encouraged. We will adopt the requirements of this pronouncement in the first quarter of 2009.

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- FSP FAS 132(R)-1 *Employers' Disclosures about Postretirement Benefit Plan Assets* issued in December 2008, amends Statement 132(R)-1 to require more detailed disclosures about employers' plan assets, including employers' investment strategies, major categories of plan assets, concentrations of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. We will adopt the requirements of this pronouncement in our December 31, 2009 year-end financial statements.

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. REGULATORY MATTERS

2008 UNS Electric Rate Order

In the May 2008 rate order, the ACC approved a rate increase of 2.5% (\$4 million) effective in June 2008. As a result of the May 2008 rate order limiting recovery of deferred rate case costs, UNS Electric expensed \$0.3 million of the \$0.6 million deferred costs in May 2008.

Purchased Power and Fuel Adjustment Clause (PPFAC)

UNS Electric's retail rates include a PPFAC, which allows for a separate surcharge or surcredit to the base rate for delivered purchased power to collect or return under- or over-recovery of costs. Allowable PPFAC costs include fuel, purchased power (less proceeds from most wholesale sales) and transmission costs.

As part of the May 2008 ACC rate order, a new PPFAC rate of approximately \$0.087 per kWh took effect on June 1, 2008. The PPFAC mechanism has a forward component and a true-up component. The forward component of the PPFAC rate is based on forecasted fuel and purchased power costs. The true-up component reconciles actual fuel and purchased power costs with the amounts collected in the preceding PPFAC year and any amounts to be refunded/collected from customers in the coming year's PPFAC rate. The true-up component is updated on June 1 of each year, beginning June 1, 2009. The retail rates prior to June 2008 included a charge for fuel and purchased power of approximately \$0.07 per kWh (base rate recovery of \$0.052 per kWh and a transmission surcharge of \$0.018).

The following table shows the balance of over-recovered purchased power costs:

	December 31,	
	2008	2007
- Thousands of Dollars -		
Under (Over) Recovered Purchased Power Costs – Regulatory Basis as Billed to Customers	\$ 308	\$ (4,025)
Estimated Purchased Power Costs Recovered through Accrued Unbilled Revenues	(6,768)	(5,262)
(Over) Recovered Purchased Power Costs (PPFAC)	\$ (6,460)	\$ (9,287)

At December 31, 2008 and 2007, the PPFAC balance is reported as Regulatory Liabilities – Over-Recovered Purchased Energy Costs.

Purchased Power Agreement

In June 2008, UED and UNS Electric entered into a 5-year Power Purchase Agreement (PPA) under which UED sells all the output of BMGS to UNS Electric. The PPA is a tolling arrangement in which UNS Electric takes operational control of

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BMGS and assumes all risk of operation and maintenance costs, including fuel. UNN Electric accounts for the PPA as an operating lease. The costs associated with the PPA are recoverable through UNN Electric's PPFA.

Other Regulatory Assets and Liabilities

UNN Electric's regulatory assets and liabilities were as follows:

	December 31,	
	2008	2007
	- Thousands of Dollars -	
Regulatory Assets		
Derivatives Instruments (Acct. 182.3)	23,785	1,006
Pensions and Other Post Retirement Benefits (Acct. 182.3)	2,575	665
Self-Insured Medical and Short-Term Disability Assets (Acct. 174)	260	-
Rate Case Costs (Acct. 182.3)	241	600
Deferred Environmental Portfolio Costs (Acct. 182.3)	-	132
Regulatory Liabilities		
Net Cost of Removal for Interim Retirements (Acct. 108)	(10,548)	(2,067)
Renewable Energy Standards Tariff REST (Acct. 254)	(871)	-
Demand-Side Management (Acct. 254)	(207)	-
Derivative Instruments (Acct. 254)	-	(9,836)

Regulatory assets are either being collected in rates or are expected to be collected through rates in a future period, as described below:

- Derivative instruments represent the unrealized gains or losses on contracts entered into to hedge the variability of purchased energy costs that are expected to be recovered through the PPFA. UNN Electric does not earn a return on these costs.
- Pensions and Other Post Retirement Benefits represent the unfunded status of UNN Electric's share of the UES pension and other postretirement benefit plans that it expects, based on past regulatory actions, to recover through rates. UNN Electric does not earn a return on these costs.
- Self-Insured Medical and Short-Term Disability assets are recorded based on historical ratemaking treatment allowing UNN Electric to recover self-insured medical costs and short-term disability costs on a pay-as-you-go or cash basis. While these assets do not earn a return, they are fully recovered in rates over an approximate one-year period.
- In May 2008, the ACC approved recovery of \$300K of rate case costs, over 3 years. UNN Electric does not earn a return on the regulatory asset balance.

Regulatory liabilities represent items that UNN Electric expects to pay to customers through billing reductions in future periods or use for the purpose for which they were collected from customers, as described below:

- Net Cost of Removal for Interim Retirements represents an estimate of the cost of future asset retirement obligations. These are amounts collected through revenue for the net cost of removal of interim retirements for which removal costs have not yet been expended.
- Renewable Energy Standards Tariff (REST) represents the REST surcharge collected in excess of qualified renewable expenditures. The ACC approved a REST surcharge for UNN Electric, effective June 1, 2008, to allow UNN Electric to recover the cost of qualified renewable expenditures, such as payments to customers who have renewable energy resources or the incremental cost of renewable power generated or purchased by UNN Electric. Any surcharge collected in excess of qualified renewable expenditures will be reflected in the financial statements as a regulatory liability. Conversely, qualified renewable expenditures in excess of the REST surcharge will be reflected as a regulatory asset. The REST plan includes an adjuster mechanism which allows UNN Electric to file an application with the ACC to apply any shortage or surplus in the prior year's program expenses to the subsequent year's REST surcharge.

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- In May 2008, the ACC approved a Demand-Side Management (DSM) surcharge which is intended to cover UNS Electric's DSM programs such as Low Income Weatherization. Any surcharge collected in excess of qualified DSM expenditures will be reflected in the financial statements as a regulatory liability. Conversely, qualified DSM expenditures in excess of the surcharge will be reflected as a regulatory asset.

INCOME STATEMENT IMPACT OF APPLYING FAS 71

If UNS Electric had not applied FAS 71, net income would have been \$15 million lower in 2008 as UNS Electric would have recognized under-recovered purchased energy and unrealized losses on its commodity derivative instruments as an expense to its income statement, rather than as regulatory assets or a reduction to its regulatory liabilities. If UNS Electric had not applied FAS 71, net income would have been \$1 million higher in 2007 as UNS Electric would have been able to recognize over-recovered purchased power costs as a credit to the income statement rather than record an increase to regulatory liabilities.

FUTURE IMPLICATIONS OF DISCONTINUING APPLICATION OF FAS 71

UNS Electric regularly assesses whether it can continue to apply FAS 71 to its operations. If UNS Electric stopped applying FAS 71 to its regulated operations, it would write-off the related balances of its regulatory assets as an expense and would write-off its regulatory liabilities as income on its income statement. Based on the regulatory asset and liability balances, if UNS Electric had stopped applying FAS 71 to its regulated operations, it would have recorded an extraordinary after-tax loss of \$4 million and an after-tax loss in AOCI of \$1 million at December 31, 2008. Discontinuing application of FAS 71 would not affect UNS Electric's cash flows.

NOTE 4. ACCOUNTING FOR DERIVATIVE INSTRUMENTS, TRADING ACTIVITIES AND HEDGING ACTIVITIES

FUEL AND POWER TRANSACTIONS

UNS Electric enters into forward contracts to purchase a specified amount of capacity or energy at a specified price over a given period of time, within established limits, to take advantage of favorable market opportunities and reduce exposure to energy price risk associated with their gas and purchased power requirements, volumetric risk associated with their seasonal load and operational risk associated with their power plants and transmission systems. UNS Electric also has natural gas supply agreements under which it purchases all of its gas requirements at spot market prices. In an effort to minimize price risk on these purchases, UNS Electric enters into gas price swap agreements under which they purchase gas at fixed prices and simultaneously sell gas at spot market prices. All of the contracts and agreements referred to in this paragraph are considered derivative instruments.

UNS Electric has recorded its commodity contract gains and losses to be recovered through the PPFA as regulatory assets since 2006. See Note 3.

The following table discloses unrealized gains and losses on energy contracts that are reported on the balance sheet as a regulatory asset or a regulatory liability rather than as a component of AOCI or in the income statement.

Mark-to-Market Transactions – (Increase) Decrease Recorded in Regulatory Accounts on the Balance Sheet	2008	2007
	- Thousands of Dollars -	
Recorded in Regulatory Assets – Derivatives:		
Gas Swaps	\$ 7,013	\$1,006
Forward Power Purchases	15,766	-
Recorded in Regulatory Liabilities – Derivatives:		
Forward Power Purchases	9,836	(6,620)
Total (Increase) Decrease	\$32,615	\$ (5,614)

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The fair value of derivative assets and liabilities were as follows:

	December 31, 2008			December 31, 2007		
	Mark-to-Market Contracts	Cash Flow Hedges	Total	Mark-to-Market Contracts	Cash Flow Hedges	Total
-Thousands of Dollars-						
Current Assets	\$ 1,585	\$ -	\$ 1,585	\$ 3,435	\$ -	\$ 3,435
Current Liabilities	(18,156)	-	(18,156)	(733)	-	(733)
Net Current Assets (Liabilities)	\$(16,571)	\$ -	\$(16,571)	\$ 2,702	\$ -	\$ 2,702
Noncurrent Assets	\$ 1,517	\$ -	\$ 1,517	\$ 7,779	\$ -	\$ 7,779
Noncurrent Liabilities	(8,731)	-	(8,731)	(1,651)	-	(1,651)
Net Noncurrent Assets (Liabilities)	\$(7,214)	\$ -	\$(7,214)	\$ 6,128	\$ -	\$ 6,128

As cash collateral is disclosed separately in the balance sheet, the above balances exclude any cash collateral posted with counterparties.

At December 31, 2008, UNS Electric had contracts that will settle through the fourth quarter of 2013. Amounts presented, above, as Net Current Assets (Liabilities), are expected to be reclassified into earnings within the next twelve months.

Credit Risk Adjustment

When the fair value of our derivative contracts are reflected as an asset, the counterparty owes us and this creates credit risk. We minimize our credit risk by (1) entering into transactions with high-quality counterparties, (2) limiting our exposure to each counterparty, (3) monitoring the financial condition of the counterparties and (4) requiring collateral in accordance with the counterparty master agreements. Using a combination of market credit default swap data and historical recovery rates for subordinated bonds, we consider the impact of counterparty credit worthiness in determining the fair value of our derivatives as well as its possible effect on continued qualification for cash flow hedge accounting. At December 31, 2008, the impact of counterparty credit risk on the fair value of derivative asset contracts was less than \$0.5 million.

We also consider the impact of our own credit risk on instruments that are in a net liability position, after deducting collateral posted, using market credit default swap data and allocate the credit risk adjustment to all individual contracts in a net liability position. The impact of our own credit risk was less than \$0.5 million.

Concentration of Credit Risk

The use of contractual arrangements to manage the risks associated with changes in energy commodity prices creates credit risk exposure resulting from the possibility of nonperformance by counterparties pursuant to the terms of their contractual obligations. UNS Electric enters into contracts for the physical delivery of energy which contain remedies in the event of non-performance by the supply counterparties. In addition, volatile energy prices can create significant credit exposure from energy market receivables and mark-to-market valuations.

As of December 31, 2008, UNS Electric had no credit exposure to other counterparties.

To provide credit enhancements for forward energy purchase contracts and hedging activities, UNS Electric posted cash collateral of \$7 million and letters of credit of \$7 million.

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NOTE 5. UTILITY PLANT

The following table shows Utility Plant in Service and depreciable lives by major class at December 31:

	2008	2007	Depreciable Lives
	- Thousands of Dollars -		
Plant in Service:			
Electric Generation Plant	\$ 26,589	\$ 26,464	38 – 49 years
Electric Distribution Plant	333,222	312,842	23 – 50 years
Electric Transmission Plant	56,688	56,086	20 – 50 years
General Plant	22,741	22,939	5 – 40 years
Intangible Plant	7,674	10,734	5 – 32 years
Total Plant in Service	\$446,914	\$ 429,065	
Utility Plant under Capital Leases	\$ 731	\$ 731	

Intangible Plant primarily represents transmission access and computer software costs.

NOTE 6. DEBT AND CAPITAL LEASE OBLIGATIONS

SENIOR UNSECURED NOTES

In August 2008, UNS Electric issued \$100 million of senior unsecured debt: \$50 million at 6.5%, due 2015 and \$50 million at 7.1%, due 2023 (UNS Electric 2008 Long-Term Debt). The UNS Electric Long-Term Debt is guaranteed by UES. The notes may be prepaid with a make-whole call premium reflecting a discount rate equal to an equivalent maturity U.S. Treasury security yield plus 50 basis points.

UNS Electric used \$60 million of the proceeds to repay its 7.61% senior unsecured notes that matured on August 11, 2008. The remaining proceeds were used to repay UNS Electric's outstanding borrowings under the UNS Gas/UNS Electric Revolver and for general corporate purposes. UNS Electric capitalized \$1 million of costs related to the issuance of the debt and will amortize these costs over the life of the debt.

The UNS Electric Long-Term Debt contains certain restrictive covenants, including restrictions on transactions with affiliates, mergers, liens to secure indebtedness, restricted payments and incurrence of indebtedness. As of December 31, 2008, UNS Electric was in compliance with the covenants.

The incurrence of indebtedness covenant requires UNS Electric to meet certain tests before additional indebtedness may be incurred. These tests include:

- A ratio of Consolidated Long-Term Debt to Consolidated Total Capitalization of no greater than 65%.
- An Interest Coverage Ratio (a measure of cash flow to cover interest expense) of at least 2.50 to 1.00.

However, UNS Electric may, without meeting these tests, refinance indebtedness and incur short-term debt in an amount not to exceed \$5 million. UNS Electric may not declare or make distributions or dividends (restricted payments) on its common stock unless (a) immediately after giving effect to such action no default or event of default would exist under its senior unsecured note agreement and (b) immediately after giving effect to such action, it would be permitted to incur an additional dollar of indebtedness under the debt incurrence test. As of December 31, 2008, UNS Electric was in compliance with the terms of the senior unsecured note agreement.

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The senior unsecured notes may be accelerated upon the occurrence and continuance of an event of default under the senior unsecured note agreement. Events of default include failure to make payments required thereunder, certain events of bankruptcy or commencement of similar liquidation or reorganization proceedings or a change of control of UES or UNS Electric. In addition, an event of default may occur if UNS Electric, UES or UNS Gas default on any payments required in respect of certain indebtedness that is outstanding in an aggregate principal amount of at least \$4 million or if any such indebtedness becomes due or capable of being called for payment prior to its scheduled payment date or if there is a default in the performance or compliance with the other terms of such indebtedness and, as a result of such default, such indebtedness has become, or has been declared, due and payable, prior to its scheduled payment date.

CAPITAL LEASE OBLIGATIONS

UNSC Electric has two trucks under capital lease with an initial term to 2011. Both leases may be continued with the same rental terms until either party gives 90 days notice and provide for the purchase of the leased asset at fair market value at the end of the lease.

The following provides future payments on UNSC Electric's capital lease obligations at December 31, 2008:

Capital Lease Obligations	
- Thousands of Dollars -	
2009	\$ 115
2010	115
2011	38
2012	-
2013	-
Total 2009-2013	268
Thereafter	-
Imputed Interest	(18)
Total	\$ 250

REVOLVING CREDIT AGREEMENT

The UNS Gas/UNSC Electric Revolver is a \$60 million revolving credit facility which matures in August 2011. Either UNS Gas or UNS Electric may borrow up to a maximum of \$45 million, so long as the combined amount borrowed does not exceed \$60 million. UNS Gas is only liable for UNS Gas's borrowings, and similarly, UNS Electric is only liable for UNS Electric's borrowings under the UNS Gas/UNSC Electric Revolver. UES guarantees the obligations of both UNS Gas and UNS Electric.

UNSC Electric has the option of paying interest at LIBOR plus 1.0% or the greater of the federal funds rate plus 0.5% or the agent bank's reference rate.

The UNS Gas/UNSC Electric Revolver contains restrictions on additional indebtedness, liens, mergers and sales of assets. The UNS Gas/UNSC Electric Revolver also contains a maximum leverage ratio and a minimum cash flow to interest coverage ratio for each borrower. As of December 31, 2008, UNS Electric was in compliance with the terms of the UNS Gas/UNSC Electric Revolver.

The borrowings by UNSC Electric under the UNS Gas/Electric Revolver were as follows:

- Thousands of Dollars -		
	December 31, 2008	December 31, 2007
Balance on the Revolver	\$ 8,000	\$ 26,000
Weighted Average Interest Rate	1.5%	5.89%
Outstanding Letters of Credit	\$ 6,500	\$ -

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At December 31, 2008 and December 31, 2007, UNS Electric's borrowings under the UNS Gas/UNS Electric Revolver were excluded from Current Liabilities and presented as Long-Term Debt, as UNS Electric has the ability and the intent to keep the borrowings outstanding under the UNS Gas/UNS Electric Revolver for the next twelve months. The outstanding letters of credit support power and gas purchases and hedges and are off-balance sheet obligations UNS Electric.

UNS Electric repaid \$4 million in February 2009, and repaid the remaining \$4 million in March 2009 under the UNS Gas/UNS Electric Revolver.

NOTE 7. COMMITMENTS AND CONTINGENCIES

We record liabilities for loss contingencies, including environmental remediation costs, arising from claims, assessments, litigation, fines and penalties and other sources when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

PURCHASE AND TRANSPORTATION COMMITMENTS

At December 31, 2008, UNS Electric had various unrecognized firm non-cancelable purchase commitments as described in the table below.

	2009	2010	2011	2012	2013	There after	Total
	- Thousands of Dollars -						
Fuel (including Transportation)	\$ 20,258	\$ 8,761	\$ 1,804	\$ 22	\$ -	\$ -	\$ 30,845
Purchased Power	41,091	29,644	12,771	7,607	7,588	-	98,701
Transmission	2,592	1,764	882	-	-	-	5,238
Total Unrecognized Firm Commitments	\$ 63,941	\$ 40,169	\$ 15,457	\$ 7,629	\$ 7,588	\$ -	\$ 134,784

Since UNS Electric's all-requirements purchased power contract expired in May 2008, UNS Electric has entered into agreements with various energy suppliers for purchased power at market prices to meet energy requirements. In general, these contracts provide for capacity payments and energy payments based on actual power taken under the contracts. These contracts expire in various years through 2013. Certain of these contracts are at a fixed price per MW and others are indexed to natural gas prices. The commitment amounts included in the table above are based on market prices as of December 31, 2008. UNS Electric paid \$53 million in 2008 for purchased power under these contracts.

UNS Electric imports the power it purchases over the Western Area Power Administration's (WAPA) transmission lines. UNS Electric's transmission capacity agreements with WAPA provide for annual rate adjustments and expire in 2011 and 2017. However, the effects of both purchased power and transmission cost adjustments are mitigated through a purchased power rate-adjustment mechanism. UNS Electric paid \$7 million in 2008 and in 2007 for transmission under committed contracts.

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OPERATING LEASES

UNSE Electric has entered into operating leases, primarily for office facilities and office equipment, with varying terms, provisions, and expiration dates.

UNSE Electric's estimated future minimum payments under non-cancelable operating leases at December 31, 2008 were:

Operating Leases	
- Thousands of Dollars -	
2009	\$ 309
2010	269
2011	269
2012	78
2013	60
Total 2009-2013	985
Thereafter	24
Total	\$ 1009

UNSE Electric's operating lease expense was \$0.4 million in 2008 and \$0.4 million in 2007.

ENVIRONMENTAL CONTINGENCIES

UNSE Electric owns and operates the Valencia Power Plant (Valencia), located in Nogales, Arizona. The Valencia plant consists of three gas and diesel-fueled combustion turbine units, with a fourth unit that commenced operations in June 2006. UNSE Electric has continued efforts initiated by the site's previous owner to remediate the soil and groundwater contamination at its Valencia facility. The initial estimate for the cost of remediation was \$0.6 million. The ultimate cost, however, will depend on the extent of contamination found as the project progresses and when final remediation occurs. Under the purchase agreement for Valencia, UNSE Electric's obligation is limited to \$1.5 million. At December 31, 2008, UNSE Electric had a liability of \$0.5 million included in Other Deferred Credits and Other Liabilities on the balance sheet.

NOTE 8. INCOME AND OTHER TAXES

INCOME TAXES

We record deferred tax liabilities for amounts that will increase income taxes on future tax returns. We record deferred tax assets for amounts that could be used to reduce income taxes on future tax returns. UNSE Electric determined that a valuation allowance on the deferred income tax assets for the years ended December 31, 2008 and December 31, 2007 was not necessary. We reached this conclusion based on our interpretation of tax rules, tax planning strategies, scheduled reversals of temporary differences, and projected future taxable income.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

UniSource Energy includes UNSE Electric's taxable income in its consolidated federal income tax return. Deferred tax assets (liabilities) consist of the following:

	2008	2007
	- Thousands of Dollars -	
Gross Deferred Income Tax Liabilities		
Plant	\$ (10,391)	\$ (5,648)
Other	118	(238)
Gross Deferred Income Tax Liabilities	(10,273)	(5,886)
Gross Deferred Income Tax Assets		
Alternative Minimum Tax Credit (AMT)	860	374
Customer Advances	5,005	4,516
Contributions in Aid of Construction	2,002	1,287
Purchased Power and Fuel Adjustment Clause	-	3,644
Compensation and Benefits	758	455
Other	304	256
Gross Deferred Income Tax Assets	8,929	10,532
Net Deferred Income Tax Assets (Liabilities)	\$ (1,344)	\$ 4,646

Income tax expense (benefit) included in the income statement includes amounts both payable currently and deferred for payment in future periods as indicated below:

	2008	2007
	-Thousand of Dollars-	
Current Tax Expense (Benefit)		
Federal	\$ (3,544)	\$ 2,512
State	(80)	470
Deferred Tax Expense (Benefit)		
Federal	5,190	47
State	842	105
Total Federal and State Income Tax Expense	\$ 2,408	\$ 3,134

The following reconciles the provision for income taxes at the federal statutory rate of 35% to the effective rate:

	2008	2007
	- Thousands of Dollars -	
Federal Income Tax Expense at Statutory Rate	\$ 2,159	\$ 2,760
State Income Tax Expense, Net of Federal Deduction	285	364
Other	(36)	10
Total Federal and State Income Tax Expense	\$ 2,408	\$ 3,134

UNSE Electric incurred a \$9 million net operating loss in 2008 that will be carried back to generate \$3.2 million in tax refunds. The receivable is included in intercompany accounts receivable on the balance sheet.

Uncertain Tax Positions

UNSE Electric adopted Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109 (FIN 48) as of January 1, 2007. FIN 48 requires us to determine whether it is "more likely than not" that we will sustain a tax position under examination. Each tax position is measured to determine the amount of benefit to recognize in the financial statements.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

At the end of 2008, UNS Electric had no uncertain tax positions.

OTHER TAX MATTERS

On its 2003 and 2004 tax returns, UNS Electric elected to utilize an accounting method relating to the capitalization of indirect costs to production activities and self-constructed assets.

In 2005, the Internal Revenue Service (IRS) issued a ruling limiting the ability of electric and gas utilities to use the new accounting method. Based on settlement guidelines issued by the IRS in March 2007, this issue has been settled with the IRS. In 2008, UNS Electric received a \$0.3 million refund of taxes and interest. The refunds have no income statement impact to UNS Electric in 2008.

NOTE 9. PENSION AND POSTRETIREMENT BENEFIT PLANS

UNS Electric does not maintain a separate pension plan or other postretirement benefit plan for its employees. All regular employees are eligible to participate in the pension plan maintained by our parent, UES. A small group of active employees are also eligible to participate in a postretirement medical benefit plan. UES allocates net periodic benefit cost based on service cost for participating employees.

PENSION PLAN

The noncontributory, defined benefit pension plan provides benefits based on years of service and the employee's average compensation. We recognize the underfunded status of our defined benefit pension plans as a liability on our consolidated balance sheets. The underfunded status is measured as the difference between the fair value of the plans assets and the projected benefit obligation for pension plans. We recognize a regulatory asset to the extent these future costs are probable of recovery in rates.

Pension Contributions

The Pension Protection Act of 2006 (The Pension Act) establishes minimum funding targets for pension plans beginning in 2008. A plan's funding target is the present value of all benefits accrued or earned as of the beginning of the plan year. While the annual targets are not legally required, if a plan does not meet the annual funding targets, the plan's benefit payment options are limited and a funding deficiency notice must be sent to all plan participants. All UNS Electric plans are in compliance with The Act.

In 2009, to meet the funding requirements of The Pension Act, UNS Electric expects to contribute \$0.8 million to the pension plan.

OTHER POSTRETIREMENT BENEFIT PLAN

UNS Electric assumed a \$1.3 million liability for postretirement medical benefits for current retirees and a small group of active employees at the acquisition of the Arizona electric system assets. The selected active employees participate in a Postretirement Benefit Plan covering employees of UniSource Energy. In the 2008 TEP Rate Order, the ACC authorized accrual basis recovery of other postretirement benefit plan costs based on a commitment to fund the plan. UNS Electric now records changes in its other postretirement obligation, not yet reflected in net periodic benefit cost, as a regulatory asset, as such amounts are probable of future recovery in rates. Amounts previously recorded in AOCI have been reclassified to a regulatory asset.

The pension and other postretirement benefit related amounts (excluding tax balances) included in UNS Electric's balance sheet are:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	Pension Benefits		Other Postretirement Benefits	
	Years Ended December 31,			
	2008	2007	2008	2007
	- Thousands of Dollars -			
Regulatory Pension Asset included in Regulatory Assets	\$ 2,478	\$ 663	\$ -	\$ -
Accrued Benefit Liability included in Accrued Employee Expenses	-	-	(77)	(75)
Accrued Benefit Liability included in Deferred Employee Benefits	(3,015)	(1,180)	(572)	(584)
Accumulated Other Comprehensive (Gain) Loss	-	-	-	(52)
Net Amount Recognized	\$ (537)	\$ (517)	\$ (649)	\$ (711)

OBLIGATIONS AND FUNDED STATUS

In accordance with FAS 158, we measured the actuarial present values of all pension benefit obligations and other postretirement benefit plans at December 31, 2008. In 2007, the measurement date was December 1. As a result of the change in the measurement date, we recorded a loss of less than \$0.1 million to retained earnings.

The tables below reflect UES' plan information as a whole. The change in projected benefit obligation and plan assets and reconciliation of the funded status are as follows:

	Pension Benefits		Other Postretirement Benefits	
	Years Ended December 31,			
	2008	2007	2008	2007
	- Thousands of Dollars -			
Change in Projected Benefit Obligation				
Benefit Obligation at Beginning of Year	\$ 7,352	\$ 7,461	\$ 1,154	\$ 1,658
Actuarial (Gain) Loss	1,833	(1,417)	277	(275)
Interest Cost	501	440	77	91
Service Cost	917	1,017	-	-
Measurement Date Change	118	-	-	-
Benefits Paid	(236)	(149)	(314)	(320)
Projected Benefit Obligation at End of Year	10,485	7,352	1,194	1,154
Change in Plan Assets				
Fair Value of Plan Assets at Beginning of Year	4,889	3,865	-	-
Actual Return on Plan Assets	(1,951)	173	-	-
Benefits Paid	(236)	(149)	(362)	(363)
Employer Contributions	1,200	1,000	314	320
Participant Contributions	-	-	48	43
Measurement Date Change	35	-	-	-
Fair Value of Plan Assets at End of Year	3,937	4,889	-	-
Funded Status at End of Year	\$ (6,548)	\$ (2,463)	\$ (1,194)	\$ (1,154)

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NOTES TO FINANCIAL STATEMENTS (Continued)			

At December 31, 2008, UNS Electric's proportionate share of the pension plan's funded status is approximately 46%.

The following table provides the components of UES' regulatory assets that have not been recognized as components of periodic benefit cost as of December 31, 2008:

	Pension Benefits	Other Postretirement Benefits
	- Thousands of Dollars -	
Net Loss	\$ 3,259	\$ 214
Prior Service Cost (Benefit)	2,002	(36)

The accumulated benefit obligation for the UES defined benefit pension plan was \$6.8 million at December 31, 2008 and \$4.5 million at December 31, 2007. Changes in actuarial assumptions including an increase in the discount rate impacted the accumulated benefit obligation. At December 31, 2008 the UES defined benefit pension plan had accumulated benefit obligations in excess of plan assets.

	December 31,	
	2008	2007
	- Thousands of Dollars -	
Projected Benefit Obligation at End of Year	\$ 10,485	\$ 7,352
Accumulated Benefit Obligation at End of Year	6,760	4,501
Fair Value of Plan Assets at End of Year	3,937	4,889

The components of net periodic benefit costs and other amounts recognized in income are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
	- Thousands of Dollars -			
Components of Net Periodic Cost				
Service Cost	\$ 917	\$ 1,017	\$ -	\$ -
Interest Cost	501	440	71	90
Expected Return on Plan Assets	(430)	(318)	-	-
Prior Service Cost Amortization	258	258	(3)	(3)
Recognized Actuarial (Gain) Loss	(19)	-	-	4
Net Periodic Benefits Cost	\$ 1,227	\$ 1,397	\$ 68	\$ 91

A portion of the net periodic benefit cost was capitalized as a cost of construction and the remainder was included in Other Operating and Maintenance costs.

In 2008, UNS Electric recognized 47% of total net periodic pension benefit costs and 53% of other postretirement benefit costs based on relative employee participation.

The amounts recognized in Accumulated Other Comprehensive Income (AOCI) or as regulatory assets are as follows:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	Pension Benefits	
	2008	2007
	- Thousands of Dollars -	
Changes in Plan Assets and Benefit Obligations Recognized as Regulatory Asset		
Current Year Actuarial (Gain) Loss	\$ 4,214	\$ (1,271)
Amortization of Actuarial Gain (Loss)	19	-
Prior Service (Cost) Amortization	(258)	(258)
Measurement Plan Change	(20)	-
Change in Additional Minimum Liability	-	-
Total Recognized as Regulatory Asset	\$ 3,955	\$ (1,529)

	Other Postretirement Benefits		
	Regulatory Asset	AOCI	AOCI
	2008		2007
Changes in Benefit Obligation Recognized in AOCI or as Regulatory Assets			
Current Year Actuarial (Gain) Loss	\$ 277	-	\$ (274)
Amortization of Actuarial Gain (Loss)	-	-	(4)
Prior Service (Cost) Amortization	-	3	3
Reclassification from AOCI to Regulatory Asset	(99)	99	-
Total Recognized in AOCI or as Regulatory Assets	\$ 178	102	\$ (275)

UNS Electric recognized changes in benefit obligations in AOCI of less than \$0.1 million both before tax and net of tax.

For the pension plan, we amortize prior service costs on a straight-line basis over the average remaining service period of employees expected to receive benefits under the plan. UES will amortize \$0.3 million of prior service cost and \$0.2 million of net loss from regulatory assets into net periodic benefit cost in 2009. The estimated net loss and prior service benefit for the defined benefit postretirement plans that will be amortized from regulatory assets into net periodic benefit cost in 2009 are less than \$0.1 million, respectively.

Weighted-Average Assumptions Used to Determine Benefit Obligations as of the Measurement Date,	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Discount Rate	6.30%	6.80%	6.50%	6.50%
Rate of Compensations Increase	3.00-4.00%	3.00-4.00%	-	-

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Costs for Period Ended December 31,	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Discount Rate	6.80%	5.90%	6.50%	5.60%
Rate of Compensations Increase	3.00-4.00%	3.00-4.00%	-	-
Expected Return on Plan Assets	7.75%	8.30%	-	-

Net periodic benefit cost is subject to various assumptions and determinations, such as the discount rate, the rate of compensation increase, and the expected return on plan assets. We estimated the expected return on plan assets based on a review of the plans' asset allocations. We also consulted with a third-party investment consultant and the plans' actuary who consider factors such as:

- market and economic indicators
- historical market returns

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NOTES TO FINANCIAL STATEMENTS (Continued)			

- correlations and volatility
- central banks' and government treasury departments' forecasts and objectives, and
- recent professional or academic research.

Changes that may arise over time with regard to these assumptions and determinations will change amounts recorded in the future as net periodic benefit cost.

	December 31, 2008	2007
Assumed Health Care Cost Trend Rates		
Health Care Cost Trend Rate Assumed for Next Year (Pre-65)	7.5%	8%
Health Care Cost Trend Rate Assumed for Next Year (Post-65)	7.5%	10%
Ultimate Health Care Cost Trend Rate Assumed	5%	5%
Year that the Rate Reaches the Ultimate Trend Rate	2017	2013

A one-percentage-point change in assumed health care cost trend rates would have an impact of less than \$0.1 million on UES' benefit obligation on the December 31, 2008 amounts reported.

Pension Plan Assets

UES calculates the market-related value of plan assets using the fair value of plan assets on the measurement date. The pension plan asset allocations by asset category are as follows:

	Plan Assets December 31,	
Asset Category	2008	2007
Equity Securities	67%	66%
Debt Securities	31%	33%
Cash	2%	1%
Total	100%	100%

The policy for the UES pension plan is to provide exposures to equity and debt securities by investing in a balanced fund. The fund will hold no more than 75% of its total assets in stocks.

Estimated Future Benefit Payments

The following benefit payments, which reflect future service, as appropriate, are expected to be paid by UES:

	Pension Benefits	Other Postretirement Benefits
	- Thousands of Dollars -	
2009	\$ 299	\$ 127
2010	403	126
2011	650	124
2012	915	122
2013	833	119
Years 2014-2018	6,253	532

DEFINED CONTRIBUTION PLANS

UNSE Electric offers a defined contribution savings plan to all eligible employees. The Internal Revenue Code identifies the plan as a qualified 401(k) plan. Participants direct the investment of contributions to certain funds in their account. UNS

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Electric matches part of a participant's contributions to the plan. UNSE Electric made matching contributions of less than \$0.3 million in each of 2008 and 2007.

NOTE 10. FAIR VALUE MEASUREMENTS

Effective January 1, 2008, we adopted FAS 157, *Fair Value Measurements* (FAS 157), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. As defined in FAS 157, fair value is the exit price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. FAS 157 clarifies that the exchange price is the price in the principal market in which the reporting entity would transact for the asset or liability. With limited exceptions, the provisions of FAS 157 are applied prospectively. There was no transition adjustment as a result of adopting FAS 157.

As permitted by FSP FAS 157-2, we have elected to defer the adoption of the nonrecurring fair value measurement disclosures of non-financial assets and liabilities, such as asset retirement obligations, until January 1, 2009.

FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*, issued October 2008, provides guidance clarifying how FAS 157 should be applied in markets that are not active. The guidance reaffirms the notion of fair value as an exit price as of the measurement date. The FSP emphasizes that approaches other than the market value approach to determine fair value, such as the use of management's internal assumptions about future cash flows and risk-adjusted discount rates, may be appropriate. The FSP, which is effective upon issuance and applicable to prior periods for which financial statements have not yet been issued, did not have a material impact on our financial statements.

In accordance with FAS 157, we have categorized our financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy defined by FAS 157 are as follows:

- Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market (examples include active exchange-traded equity securities and listed derivatives).
- Level 2. Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate bonds, which trade infrequently), pricing models whose inputs are observable for substantially the full term of the asset or liabilities (examples include most non-exchange-traded derivatives, including interest rate swaps), and pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.
- Level 3. Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include long-dated or complex derivatives including certain long-dated options on gas and power).

The following tables set forth, by level within the fair value hierarchy, UNSE Electric's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2008. As required by FAS 157, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2008 - Thousands of Dollars -				
Assets				
Cash Equivalents (1)	\$ 4,171	\$ -	\$ -	\$ 4,171
Collateral Posted (2)	-	6,620	-	6,620
Energy Contracts (3)	-	96	3,006	3,102
Total Assets	4,171	6,716	3,006	13,893
Liabilities				
Energy Contracts (3)	-	(8,115)	(18,772)	(26,887)
Total Liabilities	-	(8,115)	(18,772)	(26,887)
Net Total Assets and (Liabilities)	\$ 4,171	\$ (1,399)	\$ (15,766)	\$ (12,994)

- (1) Cash Equivalents are based on observable market prices and are comprised of the fair value of Money Market Funds.
(2) Collateral provided for energy contracts with counterparties to reduce credit risk exposure.
(3) Energy contracts include gas swap agreements (Level 2), forward power purchase contracts (Level 3), and forward power purchase contracts indexed to gas (Level 3), entered into to take advantage of favorable market conditions and reduce exposure to energy price risk. The valuation techniques are described below.

Energy Contracts

UNSC Electric primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Where observable inputs are available for substantially the full terms of the asset or liability, such as gas swap derivatives valued using New York Mercantile Exchange (NYMEX) pricing, adjusted for basin differences, the instrument is categorized in Level 2.

Derivatives valued using an aggregate pricing service or published prices that represent a consensus reporting of multiple brokers are categorized in Level 3. For both power and gas prices, UNSC Electric obtains quotes from brokers, major market participants, exchanges or industry publications as well as its own price experience from active transactions in the market. UNSC Electric primarily uses one set of quotations each for power and for gas, and then uses the other sources as validation of those prices. The broker providing quotes for power prices states that the market information provided is indicative only, but believes it to be reflective of market conditions as of the time and date indicated. In addition, energy derivatives include contracts where published prices are not readily available. These include contracts for delivery periods during non-standard time blocks, contracts for delivery during only a few months of a given year when prices are quoted only for the annual average, or contracts for delivery at illiquid delivery points. In these cases, UNSC Electric applies certain management assumptions to value such contracts. These assumptions include applying historical price curve relationships to calendar year quotes, applying percentage multipliers to value non-standard time blocks, including the impact of counterparty credit risk, using current and historical default and recovery rates, our own credit risk, using credit default swap data, and including adjustments for transmission and line losses to value contracts at illiquid delivery points. UNSC Electric reviews these assumptions on a quarterly basis.

UNSC Electric's assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following tables set forth a reconciliation of changes in the fair value of forward power purchase contracts classified as Level 3 in the fair value hierarchy for the year ended:

<u>December 31, 2008</u>	
- Thousands of Dollars -	
Balance, beginning of year	\$ 9,836
Gains and (Losses) (Realized/Unrealized) Recorded to Regulatory Assets/Liabilities	(25,602)
Balance, end of year	\$ (15,766)

Losses on mark-to-market contracts include the reclassification of realized gains and losses on the settlement of derivative contracts. All of the Level 3 unrealized gains and losses are attributable to the change in fair value of Level 3 assets and liabilities held at the reporting date.

There were no transfers in or out of Level 3 derivatives.

NOTE 11. COMMON STOCK EQUITY

DIVIDEND RESTRICTIONS

Restrictions placed on UNS Electric limit UES' ability to pay dividends. The 2003 UES Settlement Agreement limits UNS Electric's ability to pay dividends of no more than 100% of its earnings to UniSource Energy. Additionally, the terms of the senior unsecured note agreements contain dividend restrictions. See Note 6.

CAPITAL CONTRIBUTION

UES made capital contributions to UNS Electric of less than \$0.5 million in 2008.
UniSource Energy made no capital contributions to UNS Electric in 2008 and \$10 million in 2007.

[illegible]

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	443,068,716	443,068,716		
4	Property Under Capital Leases	730,678	730,678		
5	Plant Purchased or Sold				
6	Completed Construction not Classified	3,844,840	3,844,840		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	447,644,234	447,644,234		
9	Leased to Others				
10	Held for Future Use	610,695	610,695		
11	Construction Work in Progress	18,758,596	18,758,596		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	467,013,525	467,013,525		
14	Accum Prov for Depr, Amort, & Depl	274,618,330	274,618,330		
15	Net Utility Plant (13 less 14)	192,395,195	192,395,195		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	271,469,120	271,469,120		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	3,149,210	3,149,210		
22	Total In Service (18 thru 21)	274,618,330	274,618,330		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	274,618,330	274,618,330		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
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Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization			
3	(302) Franchises and Consents	11,908		
4	(303) Miscellaneous Intangible Plant	10,722,426	191,777	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	10,734,334	191,777	
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights			
9	(311) Structures and Improvements			
10	(312) Boiler Plant Equipment			
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units			
13	(315) Accessory Electric Equipment			
14	(316) Misc. Power Plant Equipment			
15	(317) Asset Retirement Costs for Steam Production			
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)			
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights			
28	(331) Structures and Improvements			
29	(332) Reservoirs, Dams, and Waterways			
30	(333) Water Wheels, Turbines, and Generators			
31	(334) Accessory Electric Equipment			
32	(335) Misc. Power Plant Equipment			
33	(336) Roads, Railroads, and Bridges			
34	(337) Asset Retirement Costs for Hydraulic Production			
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)			
36	D. Other Production Plant			
37	(340) Land and Land Rights	100,803	-560,438	
38	(341) Structures and Improvements	1,969,407		
39	(342) Fuel Holders, Products, and Accessories	847,308		
40	(343) Prime Movers	13,399,188	20,084	
41	(344) Generators	6,304,469		
42	(345) Accessory Electric Equipment	2,513,408		
43	(346) Misc. Power Plant Equipment	1,329,275		
44	(347) Asset Retirement Costs for Other Production			
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	26,463,858	-540,354	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	26,463,858	-540,354	

Name of Respondent UNs Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
11,908					3
3,239,714			7,674,489		4
3,251,622			7,674,489		5
					6
					7
					8
					9
					10
					11
					12
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					34
					35
					36
		665,071	205,436		37
			1,969,407		38
			847,308		39
			13,419,272		40
			6,304,469		41
			2,513,408		42
			1,329,275		43
					44
		665,071	26,588,575		45
		665,071	26,588,575		46

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	1,255,883	153,097	
49	(352) Structures and Improvements	427,830		
50	(353) Station Equipment	18,950,014		
51	(354) Towers and Fixtures	521,825		
52	(355) Poles and Fixtures	15,210,651	5,455,522	
53	(356) Overhead Conductors and Devices	19,508,729	-4,991,875	
54	(357) Underground Conduit			
55	(358) Underground Conductors and Devices	27,438		
56	(359) Roads and Trails	183,860		
57	(359.1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	56,086,230	616,744	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	1,334,360	20,341	
61	(361) Structures and Improvements	5,448,986	241,819	
62	(362) Station Equipment	34,958,455	4,853,842	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	81,496,074	3,361,601	
65	(365) Overhead Conductors and Devices	56,680,399	2,445,325	
66	(366) Underground Conduit	15,154,521	1,108,193	
67	(367) Underground Conductors and Devices	34,697,120	3,092,807	
68	(368) Line Transformers	58,068,149	4,042,275	
69	(369) Services	11,250,903	2,150,331	
70	(370) Meters	9,858,959	392,222	
71	(371) Installations on Customer Premises			
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	3,894,325	212,410	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	312,842,251	21,921,166	
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights	57,580		
87	(390) Structures and Improvements	2,470,854	132,614	
88	(391) Office Furniture and Equipment	-1,163,241	149,794	
89	(392) Transportation Equipment	12,417,793	1,438,494	
90	(393) Stores Equipment	125,240		
91	(394) Tools, Shop and Garage Equipment	2,733,551	68,098	
92	(395) Laboratory Equipment	1,389,367	42,656	
93	(396) Power Operated Equipment	1,637,263	263,393	
94	(397) Communication Equipment	3,121,463	-866,294	
95	(398) Miscellaneous Equipment	149,138	560	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	22,939,008	1,229,315	
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	22,939,008	1,229,315	
100	TOTAL (Accounts 101 and 106)	429,065,681	23,418,648	
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	429,065,681	23,418,648	

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
		22,107	1,431,087		48
			427,830		49
-6,310		-43,761	18,912,563		50
			521,825		51
			20,666,173		52
			14,516,854		53
					54
			27,438		55
			183,860		56
					57
-6,310		-21,654	56,687,630		58
					59
			1,354,701		60
			5,690,805		61
377,826		43,761	39,478,232		62
					63
-153,776			85,011,451		64
147,934			58,977,790		65
-2,419			16,265,133		66
-9,549			37,799,476		67
110,311			62,000,113		68
328			13,400,906		69
1,115,420			9,135,761		70
					71
					72
-481			4,107,216		73
					74
1,585,594		43,761	333,221,584		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
		-11,813	45,767		86
-7,960			2,611,428		87
1,029,188		4,287,698	2,245,063		88
125,234		4,287,698	9,443,355		89
6,380			118,860		90
135,055			2,666,594		91
1,106			1,430,917		92
21,195			1,879,461		93
79,563			2,175,606		94
25,471			124,227		95
1,415,232		-11,813	22,741,278		96
					97
					98
1,415,232		-11,813	22,741,278		99
6,246,138		675,365	446,913,556		100
					101
					102
					103
6,246,138		675,365	446,913,556		104

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNs Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 88 Column: f

Plant Asset retirement costs of \$4,287,698 were erroneously entered on the wrong lines of the 2007 FERC Form 1 (page 207). As a result, the balance at end of year for FERC Plant Account 391 was understated and the balance at end of year for Plant FERC Account 392 was overstated by this amount. To correct the error in the reported balances from 2007, the \$4,287,698 is shown as a "transfer" between these two Plant FERC accounts on the 2008 FERC Form 1 (page 207 - Column f).

Schedule Page: 204 Line No.: 89 Column: f

Plant Asset retirement costs of \$4,287,698 were erroneously entered on the wrong lines of the 2007 FERC Form 1 (page 207). As a result, the balance at end of year for FERC Plant Account 391 was understated and the balance at end of year for Plant FERC Account 392 was overstated by this amount. To correct the error in the reported balances from 2007, the \$4,287,698 is shown as a "transfer" between these two Plant FERC accounts on the 2008 FERC Form 1 (page 207 - Column f).

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)					
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.					
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.					
Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2	Cheyenne Substation	10/06/2006	Unknown	60,746	
3	Class Code: Vacant & Land				
4	Parcel Size: 5.87 Acres				
5	Township, Range, and Section: 21N, 16W, 28				
6					
7					
8	Future 230kv Transmission Line from	09/01/2008	Unknown	549,949	
9	Franconia Substation to North Havasu Substation				
10	Class Code: Land Easement				
11	Township, Range, and Section: Various				
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Other Property:				
22					
23					
24					
25					
26					
27					
28					
29					
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34					
35					
36					
37					
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41					
42					
43					
44					
45					
46					
47	Total			610,695	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	392064S Vail to Valencia 138KVLn-L&E	2,739,188		
2	369062S Clwtr 69/13.2kv T2 ad 33MVA	2,190,336		
3	333062A Line Extensions > \$50k LH	1,381,980		
4	368061S Eastern Transf T1 Repl King	1,174,288		
5	343061S N. Stockton Hill 69kv Trans Ln King	907,653		
6	311761S Mercator 69kv Line (King)	784,797		
7	373061S White Hills Sub King	715,104		
8	312061A Construction Eq - New (King)	625,734		
9	371062S Kiowa T2 repl.. 25MVA-47MVA LH	600,046		
10	394062S N Havasu Sub T3 Addition LH	580,064		
11	363061S Gold Val Fdr 8002 Recon King	562,329		
12	331062B Distr. System Repl LH	531,823		
13	333061A Line Extentions > \$50K King	494,516		
14	330062A Line Extentions < \$50K LH	447,284		
15	311261S Jagerson Tie 4th CRCT FDR 5031	431,206		
16	330061A Line Extensions < \$50K King	424,650		
17	331061B Distr. System Repl King	360,079		
18	331764B Preventative Maint OH Dist. (Nog)	291,942		
19	394064A Valencia Sub Brk Replace IV	283,721		
20	331664B Priority A UG Dist (Nog)	281,651		
21	332061S SCADA Sys Kingman & Havasu	265,408		
22	312062A Construction Eq - New (LH)	255,404		
23	383064S 115kv Trans Line Repl (Nog)	252,757		
24	363062S Clearwater Fdr Add LH	206,176		
25	332064A Distribution Fdrs & Ties Nog	203,646		
26	320264S Resid New Bus Ln Ext (Nog)	155,743		
27	312062S Operations Center LH	146,111		
28	397062S Circuit 6008 Reconductor (LH)	127,348		
29	311861S UNSE Integr Balancing Auth (Kg)	121,296		
30	331061A Distr. System Bettr. King	111,888		
31	331564B Priority A OH Dist (Nog)	107,462		
32	353062S Replace Kiowa Bus Tie Switch	100,825		
33				
34				
35	Minor Projects less than \$100,000	896,141		
36				
37				
38				
39				
40				
41				
42				
43	TOTAL	18,758,596		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 216 Line No.: 35 Column: b

There were no projects related to research, development, and demonstrating in 2008. Research, development, and demonstrating work is classified separately as preliminary engineering.

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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	262,571,712	262,571,712		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	17,444,031	17,444,031		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	1,367,716	1,367,716		
7	Other Clearing Accounts	-167,516	-167,516		
8	Other Accounts (Specify, details in footnote):	-4,231,731	-4,231,731		
9	Reserve Re-Allocations	-2,667,728	-2,667,728		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	11,744,772	11,744,772		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,994,517	2,994,517		
13	Cost of Removal	29,130	29,130		
14	Salvage (Credit)	176,283	176,283		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	2,847,364	2,847,364		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	271,469,120	271,469,120		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	11,621,441	11,621,441		
25	Transmission	33,369,111	33,369,111		
26	Distribution	213,339,814	213,339,814		
27	Regional Transmission and Market Operation				
28	General	13,138,754	13,138,754		
29	TOTAL (Enter Total of lines 20 thru 28)	271,469,120	271,469,120		

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UNs Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 7 Column: c

The credit of (\$167,516) represents 2008 CC&B, Call Center and "Common Systems" depreciation allocations made to UNs Electric, Inc.

Schedule Page: 219 Line No.: 8 Column: c

The (\$4,231,731) represents the 2008 amortization (credited to FERC Acct. No. 406) of the electric plant acquisition discount credited to accumulated depreciation in connection with the 2003 acquisition of the electric plant assets of Citizens Communications.

Schedule Page: 219 Line No.: 9 Column: c

The credit of (\$2,667,728) represents the June 2008 Reserve re-allocation made between FERC Acct. No. 0403 and FERC Acct. No. 0404 as it related to the 2008 UNs Electric Rate Order.

Schedule Page: 219 Line No.: 19 Column: c

	Per "Plant in Service and Accumulated Provision for Depreciation by
(271,469,120.00)	Function" (Schedule Page: 219, Line No: 19, Column: C)
(1,732,985.00)	FERC 0111 Accumulated Provision for Amortization of Electric Plant
(492,446.00)	FERC 1111 Accumulated Provision for Amortization of Capital Leases
	FERC 1112 Accumulated Provision for Amortization of Electric Plant
(898,662.00)	- Citizen's Historical
	FERC 1113 Accumulated Provision for Amortization of Capital Leases
(25,117.00)	- Citizen's Historical
(274,618,330.00)	Per "Comparative Balance Sheet" (Schedule Page: 110, Line No: 5,
	Column: C)

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MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	22,302	20,661	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)	7,234,996	8,089,538	Electric	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)		1,044	Electric	
8	Transmission Plant (Estimated)	2,084		Electric	
9	Distribution Plant (Estimated)	60,623	106,038	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)				
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	7,297,703	8,196,620	Electric	
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	357,967	766,750	Electric	
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	7,677,972	8,984,031	Electric	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
Transmission Service and Generation Interconnection Study Costs					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2					
3					
4					
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12					
13					
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15					
16					
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18					
19					
20					
21	Generation Studies				
22	Edison Mission W Golden Valley	4,186	566 and Var O&M		
23					
24	Edison Mission Industrial Sub	2,004	566 and Var O&M		
25					
26	Edison Mission Boriana Junction	4,066	566 and Var O&M		
27					
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Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
OTHER REGULATORY ASSETS (Account 182.3)							
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)	
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)		
1	Pension Regulatory Asset	663,448	2,044,662	228.3	229,681	2,478,429	
2	ACC Decision # 59951						
3	Issued January 1997						
4							
5	Unrealized Loss on Derivatives	1,005,826	27,195,083	176/245	4,415,902	23,785,007	
6	ACC Decision # 69202						
7	Issued December 2006						
8							
9	Rate Case Expenses		600,000	407.3	358,333	241,667	
10	ACC Decision # 70360						
11	Issued May 27, 2008						
12							
13	UBOC Credit Agreement	1,895		428.0	1,895		
14	ACC Decision # 66174						
15	Issued August 2006						
16							
17	Purchase of Landfill Gas	132,601	11,680	254.0	144,281		
18	Per AAC R14-2-1618						
19							
20	Acc.Provision - Post Retirement Benefits		110,100		13,191	96,909	
21	December 2008						
22							
23	DSM Adjuster		41,994		41,994		
24	ACC Decision # 70360						
25	Issued May 27, 2008						
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
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43							
44	TOTAL	1,803,770	30,003,519		5,205,277	26,602,012	

Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: a

As a result of the adoption of FAS 158, Employer's Accounting for Deferred Benefit Pension and other Post Retirement Plans, a liability for the under funded pension liability at December 31, 2006 was recorded. Because the ACC has historically permitted the recovery of pension costs in rates under the accrual method, a corresponding regulatory asset was also recorded. Current service rates were authorized in ACC Decision No. 59951 issued in January 1997.

Schedule Page: 232 Line No.: 20 Column: a

Accrued post retirement benefits deferred pursuant to guidelines issued by ACC in December 2008.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a) 3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Blanket Purchase Orders	11		921	11	
2						
3						
4	Customer Information Clearing	4,395	8,403,572	VAR	8,404,899	3,068
5						
6						
7	Other		7,264	VAR	7,264	
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46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)	600,000		VAR	600,000	
49	TOTAL	604,406				3,068

Name of Respondent UNSE Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)	
1	Electric			
2	Alternative Minimum Tax Credit	374,399	859,863	
3	Tax Operating Loss Carryforwards		143,373	
4				
5	Deferred Income Tax Assets (See Note 1)	10,158,343	7,925,939	
6				
7	Other			
8	TOTAL Electric (Enter Total of lines 2 thru 7)	10,532,742	8,929,175	
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)			
17	Other (Specify)			
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	10,532,742	8,929,175	
Notes				

Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 5 Column: b

Contributions in Aid of Construction	1,287,350
Customer Advances	4,515,853
Purchased Power Fuel Adjustment Clause	3,643,810
Deferred Compensation	365,244
Bad Debt	335,813
Other	10,273
	<hr/> 10,158,343

Schedule Page: 234 Line No.: 5 Column: c

Contributions in Aid of Construction	2,001,865
Customer Advances	5,005,279
Purchased Power Fuel Adjustment Clause	-
Deferred Compensation	491,411
Bad Debt	371,180
Other	56,204
	<hr/> 7,925,939

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
 2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Alternative Minimum Tax Credit	374,399	859,863
3	Tax Operating Loss Carryforwards		143,373
4			
5	Deferred Income Tax Assets (See Note 1)	10,158,343	7,925,939
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	10,532,742	8,929,175
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	10,532,742	8,929,175

Notes

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNSC Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 5 Column: b

Contributions in Aid of Construction	1,287,350
Customer Advances	4,515,853
Purchased Power Fuel Adjustment Clause	3,643,810
Deferred Compensation	365,244
Bad Debt	335,813
Other	10,273
	<hr/> 10,158,343

Schedule Page: 234 Line No.: 5 Column: c

Contributions in Aid of Construction	2,001,865
Customer Advances	5,005,279
Purchased Power Fuel Adjustment Clause	-
Deferred Compensation	491,411
Bad Debt	371,180
Other	56,204
	<hr/> 7,925,939

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
CAPITAL STOCKS (Account 201 and 204)					
<p>1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>					
Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)	
1	Common Stock				
2	Account 201	1,000			
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Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
1,000	10					2
						3
						4
						5
						6
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Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
 (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
 (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
 (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 208 - Donations Received from stockholders	
2	- Paid-In Capital from UniSource Energy Services, Inc.	58,906,477
3		
4	Account 209 - Reduction in Par of Stated Value of Capital Stock	
5		
6	Account 210 - Gain on Resale or Cancellation of Reacquired Capital Stk	
7		
8	Account 211 - Miscellaneous Paid-in Capital	
9	- Adjust Acquisition Adjustment for Direct Costs	-19,816
10		
11		
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40	TOTAL	58,886,661

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
LONG-TERM DEBT (Account 221, 222, 223 and 224)			
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>			
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	7.61% UNS Electric Note	60,000,000	792,795
2			
3	UNS Electric Revolving Credit Facility	45,000,000	89,233
4			
5	6.5% 2015 Senior Unsecured Notes	50,000,000	341,137
6	7.1% 2023 Guaranteed Notes Series B	50,000,000	341,137
7			
8			
9			
10			
11			
12			
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33	TOTAL	205,000,000	1,564,302

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.

11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.

12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.

13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.

14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
08/11/2003	08/11/2008	08/11/2003	08/11/2008		2,803,017	1
						2
08/11/2006	08/11/2011	08/11/2006	08/11/2011	8,000,000	837,258	3
						4
08/07/2008	08/07/2015	08/07/2008	08/07/2015	50,000,000	1,309,028	5
08/07/2008	08/07/2023	08/07/2008	08/07/2023	50,000,000	1,429,861	6
						7
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				108,000,000	6,379,164	33

Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	3,763,587
2	Reconciling Items for the Year:	
3		
4	Taxable Income Not Reported on Books	
5	Customer Advances	1,235,924
6	CIAC	1,981,339
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal and State Income Tax Expense	2,408,627
11	Other	1,950,894
12		
13		
14	Income Recorded on Books Not Included in Return	
15	Accrued Interest	3,283
16	AFUDC Equity	322,167
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	State Income Taxes	
21	PPFAC	9,286,554
22	Tax Depreciation in Excess of Book Depreciation	3,043,632
23	Repairs Capitalized	5,226,714
24	Deductible Service Costs	365,851
25	Other	73,383
26		
27	Federal Tax Net Income	-6,981,213
28	Show Computation of Tax:	
29	Federal Income Tax at 35%	-2,443,425
30		
31	Affiliated Group Information	
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Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 11 Column: b

Bad Debt Expense for Books in Excess of Tax	530,646
Contributions Carryover	79,201
Deferred Expenses - EPS	132,602
Dividends Equivalents	21,743
FAS 112	91,869
Incentive Comp - PEP	264,317
Rate Case Expenses	358,333
Restricted Stock - Directors	63,129
SERP	102,142
Stock Options	160,102
Pension	66,778
Meals & Entertainment	20,555
Vacation	59,477
	<u>1,950,894</u>

Schedule Page: 261 Line No.: 25 Column: b

Rabbi Trust	52,416
Restricted Stock	20,967
	<u>73,383</u>

Schedule Page: 261 Line No.: 31 Column: a

Affiliated Group Members	Percentage Owned	Federal Income Tax Assigned
UniSource Energy Corporation		(2,349,240)
Advanced Energy Technologies, Inc.	100%	(436,440)
Escavada Leasing Company	100%	2,851
MEH Equities Management Company	100%	(18,344)
Millennium Energy Holdings, Inc.	100%	137,275
Millennium Environmental Group, Inc.	100%	(63,021)
Nations Energy Corporation	100%	(482)
San Carlos Resources, Inc.	100%	-
Southwest Energy Solutions, Inc.	100%	253,869
Tucson Electric Power Company	100%	(13,318,102)
Tucsonel, Inc.	100%	-
UniSource Energy Development Company	100%	362,325
UniSource Energy Services, Inc.	100%	891
UNS Gas, Inc.	100%	1,193,964
UNS Electric, Inc.	100%	(1,324,752)
Total		<u>(15,559,206)</u>

The Affiliated Group files a consolidated federal income tax return. The tax liability of the group is first allocated to members in accordance with section 1.1552-1(a)(2) of the Income Tax Regulations. The Group has elected 100% as the fixed percentage to be used to allocate additional amounts to members in accordance with section 1.1502-33(d)(3) of the regulations.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR						
<p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>						
Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal					
2	Income	-623,330		-2,502,758	-3,183,383	
3	FICA	10,979		788,355	789,466	
4	Unemployment	437		10,139	10,399	
5						
6	Subtotal	-611,914		-1,704,264	-2,383,518	
7						
8	State & Local - Arizona					
9	Income	-163,875		-359,583	-358,466	
10	Prepaid Tax - ACC			196,416	305,150	
11	Real & Personal Prop Tax	1,603,192		3,392,421	3,300,418	
12	Unemployment	672		12,894	13,308	
13	Other Taxes					
14						
15						
16						
17	Subtotal	1,439,989		3,242,148	3,260,410	
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	828,075		1,537,884	876,892	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
57,295		-3,812,583			1,309,825	2
9,868		392,942			395,413	3
177		10,139				4
						5
67,340		-3,409,502			1,705,238	6
						7
						8
-164,992		-139,010			-220,573	9
	108,734				196,416	10
1,695,195		3,186,420			206,001	11
258		12,894				12
		78,240			-78,240	13
						14
						15
						16
1,530,461	108,734	3,138,544			103,604	17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
1,597,801	108,734	-270,958			1,808,842	41

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>	
OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits. 2. For any deferred credit being amortized, show the period of amortization. 3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.						
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Deferred Reclamation Costs	327,921	VAR	227,968		99,953
2	Other Deferred Credits	13,605	925	15,103	10,120	8,622
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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29						
30						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	341,526		243,071	10,120	108,575

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	5,648,809	4,741,602		
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	5,648,809	4,741,602		
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 9)	5,648,809	4,741,602		
10	Classification of TOTAL				
11	Federal Income Tax	4,931,822	4,034,328	-10,924	
12	State Income Tax	716,987	707,274	10,924	
13	Local Income Tax				
<div style="text-align: center; margin-bottom: 10px;">NOTES</div>					

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)							
3. Use footnotes as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
						10,390,411	1
							2
							3
							4
						10,390,411	5
							6
							7
							8
						10,390,411	9
							10
						8,977,074	11
						1,413,337	12
							13
NOTES (Continued)							

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3					
4	Other	238,188	108,274	464,248	
5					
6					
7					
8					
9	TOTAL Electric (Total of lines 3 thru 8)	238,188	108,274	464,248	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18					
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	238,188	108,274	464,248	
20	Classification of TOTAL				
21	Federal Income Tax	195,487	88,861	381,012	
22	State Income Tax	42,701	19,413	83,236	
23	Local Income Tax				
NOTES					

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)							
3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.							
4. Use footnotes as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						-117,786	4
							5
							6
							7
							8
						-117,786	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
						-117,786	19
							20
						-96,664	21
						-21,122	22
							23
NOTES (Continued)							

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
UNS Electric, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/18/2009	2008/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 4 Column: k

The Other balance at the end of the year is comprised of the following amounts:

Rate Case Expenses	95,700
Pension	(10,695)
SERP	(202,792)
Total	<u>(117,787)</u>

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.						
3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Purchased Power Fuel Adjustment Clause	9,286,554	555/565	189,464,437	186,637,334	6,459,451
2	ACC Decision # 66028					
3	Issued July 2003					
4						
5	DSM Program		456	221,563	428,417	206,854
6	ACC Decision # 70360					
7	Issued May 2008					
8						
9	Renewable Energy Standard Tariff Plan		416	457,749	1,328,931	871,182
10	ACC Decision # 70315					
11	Issued April 2008					
12						
13	Unrealized Gains on Derivative	9,835,572	175/176/244	44,069,141	34,233,569	
14	ACC Decision # 69202					
15	Issued December, 2006					
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	19,122,126		234,212,890	222,628,251	7,537,487

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATING REVENUES (Account 400)				
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p>				
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	
1	Sales of Electricity			
2	(440) Residential Sales	92,231,621	85,759,676	
3	(442) Commercial and Industrial Sales			
4	Small (or Comm.) (See Instr. 4)	69,412,607	63,570,755	
5	Large (or Ind.) (See Instr. 4)	19,626,605	15,431,353	
6	(444) Public Street and Highway Lighting	368,082	383,579	
7	(445) Other Sales to Public Authorities			
8	(446) Sales to Railroads and Railways			
9	(448) Interdepartmental Sales			
10	TOTAL Sales to Ultimate Consumers	181,638,915	165,145,363	
11	(447) Sales for Resale	10,168,115	234,273	
12	TOTAL Sales of Electricity	191,807,030	165,379,636	
13	(Less) (449.1) Provision for Rate Refunds			
14	TOTAL Revenues Net of Prov. for Refunds	191,807,030	165,379,636	
15	Other Operating Revenues			
16	(450) Forfeited Discounts			
17	(451) Miscellaneous Service Revenues	1,220,716	887,998	
18	(453) Sales of Water and Water Power			
19	(454) Rent from Electric Property	428,014	314,545	
20	(455) Interdepartmental Rents			
21	(456) Other Electric Revenues	1,445,274	2,376,590	
22	(456.1) Revenues from Transmission of Electricity of Others	9,654		
23	(457.1) Regional Control Service Revenues			
24	(457.2) Miscellaneous Revenues			
25				
26	TOTAL Other Operating Revenues	3,103,658	3,579,133	
27	TOTAL Electric Operating Revenues	194,910,688	168,958,769	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

7. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
822,497	854,119	79,378	79,044	2
				3
619,581	626,738	10,334	10,161	4
219,003	198,728	18	14	5
2,237	2,247	257	252	6
				7
				8
				9
1,663,318	1,681,832	89,987	89,471	10
152,947	2,548	2	1	11
1,816,265	1,684,380	89,989	89,472	12
				13
1,816,265	1,684,380	89,989	89,472	14

Line 12, column (b) includes \$ 9,215,518 of unbilled revenues.

Line 12, column (d) includes 80,972 MWH relating to unbilled revenues

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNSC Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 12 Column: b

Includes Unbilled Revenues:

Customer Class-

Residential 4,120,694

Commercial 3,270,861

Industrial 1,792,235

Public Street Lighting 19,145

Sales for Resale 12,583

9,215,518

Schedule Page: 300 Line No.: 12 Column: d

Includes Unbilled Sales (MWH):

Customer Class-

Residential 27,406

Commercial 115

Industrial 130

Public Street Lighting 18,577

Sales for Resale 34,744

80,972

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.

6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 440 - Residential					
2	Santa Cruz Residential	126,701	14,246,965	14,848	8,533	0.1124
3	Santa Cruz Residential CARES					
4	Mohave Residential	701,762	77,950,493	63,525	11,047	0.1111
5	RES-01-TOU	8	942	1	8,000	0.1178
6	Dusk to Dawn Lighting Service	615	108,410	1,005	612	0.1763
7	Residential Unbilled	6,590	75,190			0.0114
8	Duplicate Customers					
9	Total Account 440	822,496	92,231,620	79,379	10,362	0.1121
10						
11	Account 442 - Commercial					
12	Santa Cruz Small General Serv.	23,505	3,155,345	2,019	11,642	0.1342
13	Mohave Small General Service	69,136	8,320,330	5,645	12,247	0.1203
14	Large General Service	501,596	54,909,894	2,063	243,139	0.1095
15	Large General Service TOU	3,068	331,612	11	278,909	0.1081
16	Interruptible Power Service	24,639	2,267,449	25	985,560	0.0920
17	Dusk to Dawn Lighting	1,687	311,918	571	2,954	0.1849
18	Billed Commercial Adjustment					
19	Commercial Unbilled Revenue	3,977	116,057			-0.0292
20	Duplicate Customers					
21	Total Account 442 - Commercial	619,654	69,412,605	10,334	59,963	0.1120
22						
23	Account 442 - Industrial					
24	Large Power Serv - Distribution	54,154	5,612,848	10	5,415,400	0.1036
25	Large Power Serv - Trans TOU	148,383	12,414,767	8	18,547,875	0.0837
26	Billed Industrial Adjustment	-2,111	-193,244			0.0915
27	Industrial Unbilled Revenue	18,504	1,792,235			0.0969
28	Total Account 442 - Industrial	218,930	19,626,606	18	12,162,778	0.0896
29	Acct 444 - Public Street Lighting					
30	Santa Cruz Small General Serv	752	101,123	33	22,788	0.1345
31	Mohave Small General Service	395	43,717	14	28,214	0.1107
32	Large General Service	216	23,610	5	43,200	0.1093
33	Dusk to Dawn Lighting	841	192,986	205	4,102	0.2295
34	Public Street Lighting Unbilled	33	6,646			0.2014
35	Total Account 444	2,237	368,082	257	8,704	0.1645
36						
37						
38						
39						
40						
41	TOTAL Billed	1,655,274	179,799,167	89,988	18,394	0.1086
42	Total Unbilled Rev.(See Instr. 6)	8,043	1,839,748	0	0	0.2287
43	TOTAL	1,663,317	181,638,915	89,988	18,484	0.1092

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
UNS Electric, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/18/2009	2008/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 3 Column: a

Due to a change in accounting the CARES revenues are included in the other residential revenue amounts.

Schedule Page: 304 Line No.: 7 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 7 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 19 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 19 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 27 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 27 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 34 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 34 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 42 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 42 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Comision Federal de Electricidad	LF				
2						
3	Barclays	SF	WSPP			
4	Constellation Commodities Group	SF	WSPP			
5	Conoco-Phillips Energy	SF	WSPP			
6	Credit Suisse Energy Marketing	SF	WSPP			
7	Morgan Stanley Commodities Group	SF	WSPP			
8	Pacificorp	SF	WSPP			
9	Powerex	SF	WSPP			
10	Tucson Electric Power	SF	ER07-964-001			
11	Inadvertant					
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
2,519		256,401		256,401	1
					2
2,122		187,084		187,084	3
415		42,660		42,660	4
125		10,375		10,375	5
2,540		258,923		258,923	6
45		8,280		8,280	7
59		2,350		2,350	8
1,296		134,318		134,318	9
143,857		9,267,724		9,267,724	10
-31					11
					12
					13
					14
0	0	0	0	0	
152,947	0	10,168,115	0	10,168,115	
152,947	0	10,168,115	0	10,168,115	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: a

This customer is located outside of the United States, in Sonora, Mexico. Service is allowed by U.S. Department of Energy, Presidential Permit.

Schedule Page: 310 Line No.: 1 Column: b

Service may be terminated by UNN-Electric upon 60 days notice to customer.

Schedule Page: 310 Line No.: 10 Column: a

UNN Electric Inc. and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering			
5	(501) Fuel			
6	(502) Steam Expenses			
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses			
10	(506) Miscellaneous Steam Power Expenses			
11	(507) Rents			
12	(509) Allowances			
13	TOTAL Operation (Enter Total of Lines 4 thru 12)			
14	Maintenance			
15	(510) Maintenance Supervision and Engineering			
16	(511) Maintenance of Structures			
17	(512) Maintenance of Boiler Plant			
18	(513) Maintenance of Electric Plant			
19	(514) Maintenance of Miscellaneous Steam Plant			
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)			
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)			
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr.			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses			
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)			
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant			
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)			
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)			
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering			
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses			
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)			
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures			
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant			
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)			
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)			

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	62,406	82,756	
63	(547) Fuel	7,621,714		
64	(548) Generation Expenses	35,931	62,999	
65	(549) Miscellaneous Other Power Generation Expenses	806,947	307,723	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	8,526,998	453,478	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering		21,724	
70	(552) Maintenance of Structures		2,607	
71	(553) Maintenance of Generating and Electric Plant	125,323	219,644	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	64,400	109,230	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	189,723	353,205	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	8,716,721	806,683	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	127,658,012	110,870,490	
77	(556) System Control and Load Dispatching	3,220		
78	(557) Other Expenses	356,999	2,078,960	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	128,018,231	112,949,450	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	136,734,952	113,756,133	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering			
84	(561) Load Dispatching	6,095	6,200	
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	33,027	55,132	
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services			
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	25,627	93,171	
94	(563) Overhead Lines Expenses	14,932	4,010	
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	8,082,997	7,331,822	
97	(566) Miscellaneous Transmission Expenses	99,300	102,710	
98	(567) Rents	27,940	77,943	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	8,289,918	7,670,988	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures			
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	22,699	2,762	
108	(571) Maintenance of Overhead Lines	36,134	27,654	
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant	23		
111	TOTAL Maintenance (Total of lines 101 thru 110)	58,856	30,416	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	8,348,774	7,701,404	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
113	3. REGIONAL MARKET EXPENSES			
114	Operation			
115	(575.1) Operation Supervision			
116	(575.2) Day-Ahead and Real-Time Market Facilitation			
117	(575.3) Transmission Rights Market Facilitation			
118	(575.4) Capacity Market Facilitation			
119	(575.5) Ancillary Services Market Facilitation			
120	(575.6) Market Monitoring and Compliance			
121	(575.7) Market Facilitation, Monitoring and Compliance Services			
122	(575.8) Rents			
123	Total Operation (Lines 115 thru 122)			
124	Maintenance			
125	(576.1) Maintenance of Structures and Improvements			
126	(576.2) Maintenance of Computer Hardware			
127	(576.3) Maintenance of Computer Software			
128	(576.4) Maintenance of Communication Equipment			
129	(576.5) Maintenance of Miscellaneous Market Operation Plant			
130	Total Maintenance (Lines 125 thru 129)			
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)			
132	4. DISTRIBUTION EXPENSES			
133	Operation			
134	(580) Operation Supervision and Engineering	422,245	501,131	
135	(581) Load Dispatching	562,134	465,108	
136	(582) Station Expenses	74,547	106,192	
137	(583) Overhead Line Expenses	491,139	606,870	
138	(584) Underground Line Expenses	475,089	543,861	
139	(585) Street Lighting and Signal System Expenses	1,886	365	
140	(586) Meter Expenses	759,850	760,552	
141	(587) Customer Installations Expenses	34,743	14,214	
142	(588) Miscellaneous Expenses	1,103,802	1,047,091	
143	(589) Rents	83,088	79,529	
144	TOTAL Operation (Enter Total of lines 134 thru 143)	4,008,523	4,124,913	
145	Maintenance			
146	(590) Maintenance Supervision and Engineering		20,901	
147	(591) Maintenance of Structures			
148	(592) Maintenance of Station Equipment	720,102	628,660	
149	(593) Maintenance of Overhead Lines	735,820	785,206	
150	(594) Maintenance of Underground Lines	104,656	121,272	
151	(595) Maintenance of Line Transformers	104,293	76,937	
152	(596) Maintenance of Street Lighting and Signal Systems	310,098	31,334	
153	(597) Maintenance of Meters	608	7,933	
154	(598) Maintenance of Miscellaneous Distribution Plant	15,555	6,801	
155	TOTAL Maintenance (Total of lines 146 thru 154)	1,991,132	1,679,044	
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	5,999,655	5,803,957	
157	5. CUSTOMER ACCOUNTS EXPENSES			
158	Operation			
159	(901) Supervision	255,122	229,152	
160	(902) Meter Reading Expenses	912,257	679,936	
161	(903) Customer Records and Collection Expenses	3,015,145	3,331,155	
162	(904) Uncollectible Accounts	1,200,504	762,728	
163	(905) Miscellaneous Customer Accounts Expenses	38,596	32,648	
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	5,421,624	5,035,619	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision				
168	(908) Customer Assistance Expenses	546,006	201,042		
169	(909) Informational and Instructional Expenses	192,157	125,950		
170	(910) Miscellaneous Customer Service and Informational Expenses	31,040	7,215		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	769,203	334,207		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses	85			
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	85			
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	3,295,964	2,748,106		
182	(921) Office Supplies and Expenses	1,074,369	1,012,429		
183	(Less) (922) Administrative Expenses Transferred-Credit	1,004,502	534,685		
184	(923) Outside Services Employed	1,351,096	923,395		
185	(924) Property Insurance	81,780	74,183		
186	(925) Injuries and Damages	623,802	581,234		
187	(926) Employee Pensions and Benefits	1,689,643	1,515,139		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses				
190	(929) (Less) Duplicate Charges-Cr.	86,769	102,087		
191	(930.1) General Advertising Expenses	51,398	23,808		
192	(930.2) Miscellaneous General Expenses	288,697	1,058,236		
193	(931) Rents	54,240	92,700		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	7,419,718	7,392,458		
195	Maintenance				
196	(935) Maintenance of General Plant	20,026	-277		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	7,439,744	7,392,181		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	164,714,037	140,023,501		

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
PURCHASED POWER (Account 555) (Including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Pinnacle West Capital	RQ	Rate Sched 4		293	270
2	Barclays	SF	WSPP			
3	Constellation Commodities Group	SF	WSPP			
4	Credit Suisse Energy Marketing	SF	WSPP			
5	Morgan Stanley Commodities Group	SF	WSPP			
6	Pacificorp	SF	WSPP			
7	Powerex	SF	WSPP			
8	Salt River Project	SF	WSPP			
9	Tucson Electric Power	SF	ER07-964			
10						
11	Unisource Energy Development	LF	ER08-662			
12	Purchased Power Fuel Adjustor Clause					
13						
14						
	Total					

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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 9 Column: a

UNN Electric Inc. and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc.

Schedule Page: 326 Line No.: 11 Column: a

Unisource Energy Development, Inc., UNN Electric Inc., and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc. Unisource Energy Development delivers energy to UNN-Electric from its Black Mountain Generating Station. Black Mountain delivers up to 90 MW of energy.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Aha Macav Power Service	Western Area Power Admin	Aha Macav Power Service	NF	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
TOTAL					

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
ER03-1064	Griffith, AZ	Boundry Cone, AZ	8	5,298	5,298	1
						2
						3
						4
						5
						6
						7
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						34
			8	5,298	5,298	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')				
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>				
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
9,654			9,654	1
				2
				3
				4
				5
				6
				7
				8
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				33
9,654	0	0	9,654	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

- Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
- In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
- In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
- Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
- Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
- Enter "TOTAL" in column (a) as the last line.
- Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Received Power From:							
2	Arizona Public Service	SFP	116,729	116,729		875,144		875,144
3	Southwest Trans Coop	NF	925	925		8,297		8,297
4	Western Area Power Admn	FNS	1,124,262	1,124,262	1,681,001			1,681,001
5	Western Area Power Admn	NF	281,755	281,755		801,559		801,559
6	Western Area Power Admn	LFP	3,163,400	3,163,400	4,659,935			4,659,935
7	Western Area Power Admn	SFP	1,341	1,341		2,323		2,323
8	Tucson Electric Power		16,496	22,405				
9	Purchased Powr Fuel Adj	OS					54,738	54,738
10								
11								
12								
13								
14								
15								
16								
	TOTAL		4,704,908	4,710,817	6,340,936	1,687,323	54,738	8,082,997

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 4 Column: a

Network Service

Schedule Page: 332 Line No.: 7 Column: a

OASIS Short Term Firm

Schedule Page: 332 Line No.: 8 Column: a

UNN Electric Inc. and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc.

Schedule Page: 332 Line No.: 8 Column: c

Network Imbalance Energy Received

Schedule Page: 332 Line No.: 8 Column: d

Network Imbalance Energy Delivered

Schedule Page: 332 Line No.: 9 Column: a

Purchased Power Fuel Adjustor Clause

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues	81,699			
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses				
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	12,636			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000				
6	Directors Fees	108,512			
7	Wages	24,959			
8	Allocated Internal Expenses	21,301			
9	Materials & Supplies	12,754			
10	Training	12,388			
11	Travel	6,198			
12	Facilities Rental & Building Usage	5,395			
13	Other	2,855			
14					
15					
16					
17					
18					
19					
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45					
46	TOTAL	288,697			

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. Report in section A for the year the amounts for: (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			1,213,651		1,213,651
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	576,999				576,999
7	Transmission Plant	2,037,026				2,037,026
8	Distribution Plant	14,140,711		3,464		14,144,175
9	Regional Transmission and Market Operation					
10	General Plant	689,295				689,295
11	Common Plant-Electric					
12	TOTAL	17,444,031		1,217,115		18,661,146
B. Basis for Amortization Charges						
<p>Amortization charges to account 404 primarily consist of amortization of software and capital obligations for certain transmission property construction funding by UNS Electric in accordance with the current transmission agreement between the Company and WAPA. Software is amortized over its estimated economic life. The capital obligations are amortized over the economic life of the transmission property constructed.</p>						

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Other Production	26,381					
13	341	1,969	49.00		2.07	S6	29.50
14	342	847	40.00		2.51	S4	32.63
15	343	13,419	40.00		2.53	R3	26.17
16	344	6,304	43.00		2.33	SO	36.15
17	345	2,513	43.00		2.35	S6	29.39
18	346	1,329	38.00		2.64	R1	33.34
19	Transmission	55,575					
20	350-Rights	346	50.00		2.02	SQ	31.35
21	352	428	33.00		3.13	R3	12.75
22	353	18,912	32.00		3.15	R1	21.72
23	354	522	20.00		5.03	L0	15.92
24	355	20,666	25.00	-10.00	4.48	S5	12.68
25	356	14,517	38.00		2.66	L3	23.85
26	358	27	50.00	-5.00	4.36	R4	10.50
27	359	184	50.00		2.02	SQ	35.18
28	Distribution	331,999					
29	360-Rights	133	50.00		2.03	SQ	27.71
30	361	5,691	34.00		2.96	R4	25.54
31	362	39,478	25.00		4.09	S4	11.54
32	364	85,011	27.00	-10.00	4.14	S4	14.83
33	365	58,978	27.00	-10.00	4.13	S3	15.16
34	366	16,265	28.00	-5.00	3.79	S2	18.66
35	367	37,799	23.00		4.40	S3	14.20
36	368	62,000	23.00	-5.00	4.63	S4	13.46
37	369-Overhead	8,524	27.00		3.77	R5	14.43
38	369-Underground	4,877	27.00		3.75	R5	16.26
39	370	9,136	34.00	-5.00	3.11	R3	24.14
40	373	4,107	25.00		4.04	S4	16.64
41	General	22,696					
42	390	2,611	38.00		2.65	R2	29.03
43	391-Office F&E	1,575	21.00		4.76	SQ	13.37
44	391-Computer Eq	670	5.00		20.00	SQ	1.13
45	392-Class 1	148	8.00		12.75	L1.5	4.00
46	392-Class 2	1,261	6.00		16.99	L2	3.02
47	392-Class 3	1,057	5.00		20.21	S5	3.28
48	392-Class 4	1,834	8.00		13.47	S4	1.63
49	392-Class 5	5,144	8.00		12.55	S4	6.58
50	393	119	33.00		3.03	SQ	14.67

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	394	2,667	29.00		3.45	SQ	16.32
13	395	1,431	40.00		2.50	SQ	25.85
14	396	1,879	15.00		6.92	S5	5.16
15	397	2,176	23.00		4.35	SQ	19.07
16	398	124	18.00		5.56	SQ	5.19
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Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Misc. expenses pertaining to Rate Case Filing				
2	to the Arizona Corporation Commission for the		537,757	537,757	
3	test year ended June 30, 2006. Commission				
4	approved \$300,000 of rate case expenses to be				
5	amortized over a 3 year period starting Jun-08				
6	ACC Decision 70360				
7					
8					
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46	TOTAL		537,757	537,757	

Name of Respondent UNS Electric, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
REGULATORY COMMISSION EXPENSES (Continued)								
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.								
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.								
5. Minor items (less than \$25,000) may be grouped.								
EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (l)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (i)	Line No.	
Department (f)	Account No. (g)	Amount (h)						
	186	-300,000	300,000	407	58,333	241,667	1	
	920	195,005					2	
	923	206,359					3	
	Various	78,060					4	
							5	
							6	
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							45	
		179,424	300,000		58,333	241,667	46	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
DISTRIBUTION OF SALARIES AND WAGES					
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
1	Electric				
2	Operation				
3	Production	57,028			
4	Transmission	46,604			
5	Regional Market				
6	Distribution	1,335,736			
7	Customer Accounts	850,435			
8	Customer Service and Informational	114,123			
9	Sales				
10	Administrative and General	735,616			
11	TOTAL Operation (Enter Total of lines 3 thru 10)	3,139,542			
12	Maintenance				
13	Production	58,595			
14	Transmission	27,898			
15	Regional Market				
16	Distribution	975,429			
17	Administrative and General				
18	TOTAL Maintenance (Total of lines 13 thru 17)	1,061,922			
19	Total Operation and Maintenance				
20	Production (Enter Total of lines 3 and 13)	115,623			
21	Transmission (Enter Total of lines 4 and 14)	74,502			
22	Regional Market (Enter Total of Lines 5 and 15)				
23	Distribution (Enter Total of lines 6 and 16)	2,311,165			
24	Customer Accounts (Transcribe from line 7)	850,435			
25	Customer Service and Informational (Transcribe from line 8)	114,123			
26	Sales (Transcribe from line 9)				
27	Administrative and General (Enter Total of lines 10 and 17)	735,616			
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	4,201,464	601,480	4,802,944	
29	Gas				
30	Operation				
31	Production-Manufactured Gas				
32	Production-Nat. Gas (Including Expl. and Dev.)				
33	Other Gas Supply				
34	Storage, LNG Terminating and Processing				
35	Transmission				
36	Distribution				
37	Customer Accounts				
38	Customer Service and Informational				
39	Sales				
40	Administrative and General				
41	TOTAL Operation (Enter Total of lines 31 thru 40)				
42	Maintenance				
43	Production-Manufactured Gas				
44	Production-Natural Gas (Including Exploration and Development)				
45	Other Gas Supply				
46	Storage, LNG Terminating and Processing				
47	Transmission				

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminating and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	4,201,464	601,480		4,802,944
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	4,083,251	902,413		4,985,664
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	4,083,251	902,413		4,985,664
72	Plant Removal (By Utility Departments)				
73	Electric Plant	63,083	2,872		65,955
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	63,083	2,872		65,955
77	Other Accounts (Specify, provide details in footnote):				
78					
79					
80					
81					
82					
83	163 - Stores Expense	306,971	-306,971		
84					
85	184 - Clearing Accounts	1,205,029	-1,205,029		
86					
87	416 - Merchandising Expense		21		21
88	417 - Nonutility Income and Expense	10,789	5,214		16,003
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	1,522,789	-1,506,765		16,024
96	TOTAL SALARIES AND WAGES	9,870,587			9,870,587

Name of Respondent UNS Electric, Inc.				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4		
MONTHLY TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
NAME OF SYSTEM:										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long- Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	278	17	800	278					
2	February	271	6	800	271					
3	March	224	4	800	224					
4	Total for Quarter 1	773			773					
5	April	245	29	1700	245					
6	May	367	19	1700	367					
7	June	400	17	1600	400					
8	Total for Quarter 2	1,012			1,012					
9	July	409	2	1600	409					
10	August	408	1	1600	408					
11	September	354	5	1600	354					
12	Total for Quarter 3	1,171			1,171					
13	October	307	1	1600	307					
14	November	217	1	1600	217					
15	December	266	17	1900	266					
16	Total for Quarter 4	790			790					
17	Total Year to Date/Year	3,746			3,746					

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	1,663,318
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	152,947
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	1,293
7	Other	15,157	27	Total Energy Losses	122,609
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	1,940,167
9	Net Generation (Enter Total of lines 3 through 8)	15,157			
10	Purchases	1,930,919			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received	5,298			
17	Delivered	5,298			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses	-5,909			
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	1,940,167			

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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MONTHLY PEAKS AND OUTPUT

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	146,984	240	278	17	800
30	February	128,698	189	271	6	800
31	March	127,861	212	224	4	800
32	April	123,459	258	245	29	1700
33	May	138,488	219	367	19	1700
34	June	204,460	28,927	400	17	1600
35	July	222,837	23,464	409	2	1600
36	August	218,068	19,550	408	1	1600
37	September	197,387	35,480	354	5	1600
38	October	157,474	30,675	307	1	1600
39	November	123,392	10,264	217	1	1600
40	December	151,059	13,376	266	17	1900
41	TOTAL	1,940,167	162,854			

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)							
<p>1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.</p>							
Line No.	Item (a)	Plant Name: Valencia (b)	Plant Name: (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Gas Turbine					
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Outdoor					
3	Year Originally Constructed	1989					
4	Year Last Unit was Installed	2006					
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	61.00	0.00				
6	Net Peak Demand on Plant - MW (60 minutes)	59	0				
7	Plant Hours Connected to Load	923	0				
8	Net Continuous Plant Capability (Megawatts)	61	0				
9	When Not Limited by Condenser Water	61	0				
10	When Limited by Condenser Water	61	0				
11	Average Number of Employees	1	0				
12	Net Generation, Exclusive of Plant Use - KWh	3174000	0				
13	Cost of Plant: Land and Land Rights	97573	0				
14	Structures and Improvements	1969407	0				
15	Equipment Costs	24413732	0				
16	Asset Retirement Costs	0	0				
17	Total Cost	26480712	0				
18	Cost per KW of Installed Capacity (line 17/5) Including	434.1100	0.0000				
19	Production Expenses: Oper, Supv, & Engr	905284	0				
20	Fuel	1320109	0				
21	Coolants and Water (Nuclear Plants Only)	0	0				
22	Steam Expenses	0	0				
23	Steam From Other Sources	0	0				
24	Steam Transferred (Cr)	0	0				
25	Electric Expenses	0	0				
26	Misc Steam (or Nuclear) Power Expenses	0	0				
27	Rents	0	0				
28	Allowances	0	0				
29	Maintenance Supervision and Engineering	0	0				
30	Maintenance of Structures	64400	0				
31	Maintenance of Boiler (or reactor) Plant	0	0				
32	Maintenance of Electric Plant	125323	0				
33	Maintenance of Misc Steam (or Nuclear) Plant	0	0				
34	Total Production Expenses	2415116	0				
35	Expenses per Net KWh	0.7609	0.0000				
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas					
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MCF					
38	Quantity (Units) of Fuel Burned	75255	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1015	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	17.542	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	17.542	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	17.283	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.416	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	24065.477	0.000	0.000	0.000	0.000	0.000

Name of Respondent UNN Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0.0000	0.0000	0.0000	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
TRANSMISSION LINE STATISTICS								
<p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p>								
Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Transmission-Northern Ariz	Havasu / Kingman		69.00	SP-W	225.78		
2				69.00	SP-S	1.00		2
3				69.00	SP-S	9.00		1
4				69.00	SP-S	14.29		1
5				69.00	SP-S	1.30		1
6				69.00	SP-S	12.00		1
7				69.00	SP-S	0.30		2
8	Transmission-Santa Cruz		115.00		SP-S	55.75		
9					HF-W			
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	319.42		8

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
1/0 Copper	1,047,291	25,993,205	27,040,496	113,807	48,376	27,940	190,123	1
927 AAAC/795								2
927 AAAC/795								3
559AAAC								4
1/0 ACSR								5
954 ACSR								6
4/0 ACSR								7
559.5 AAAC	383,797	9,922,943	10,306,740	65,174	10,456		75,630	8
								9
								10
								11
								12
								13
								14
								15
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								31
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								35
	1,431,088	35,916,148	37,347,236	178,981	58,832	27,940	265,753	36

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.

2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	West Golden Valley	Mineral Park	12.00	SP-S	15.00	1	1
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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36							
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39							
40							
41							
42							
43							
44	TOTAL		12.00		15.00	1	1

Name of Respondent UNS Electric, Inc.			This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4		
TRANSMISSION LINES ADDED DURING YEAR (Continued)									
costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).									
3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.									
CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
929 AAAC		Armless	69		1,453,627	131,346		1,584,973	1
									2
									3
									4
									5
									6
									7
									8
									9
									10
									11
									12
									13
									14
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									34
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									43
					1,453,627	131,346		1,584,973	44

Name of Respondent UN\$ Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
SUBSTATIONS						
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>						
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)			
			Primary (c)	Secondary (d)	Tertiary (e)	
1	MOHAVE					
2	Casson	DIST/ UNATTENDED	69.00	13.20		
3	Highway	DIST/ UNATTENDED	69.00	12.00		
4	Pierce Ferry Junction	DIST/ UNATTENDED	69.00	12.00		
5	Chloride	DIST/ UNATTENDED	69.00	12.00		
6	Duval Booster	DIST/ UNATTENDED	69.00	2.40		
7	Golden Valley	DIST/ UNATTENDED	69.00	20.80		
8	South Kingman	DIST/ UNATTENDED	69.00	12.00		
9	North Kingman	DIST/ UNATTENDED	69.00	12.00		
10	Airport	DIST/ UNATTENDED	69.00	13.20		
11	Jagerson	DIST/ UNATTENDED	69.00	13.20		
12	Boriana Junction	DIST/ UNATTENDED	69.00	20.80		
13	Yucca	DIST/ UNATTENDED	69.00	20.80		
14	Duval Waterfield	DIST/ UNATTENDED	69.00	2.40		
15	Warm Springs	DIST/ UNATTENDED	69.00	13.20		
16	Boundary Cone	DIST/ UNATTENDED	69.00	13.20		
17	Sacramento	DIST/ UNATTENDED	69.00	20.80		
18	Dolan Springs	DIST/ UNATTENDED	69.00	12.00		
19	So-Hi	DIST/ UNATTENDED	69.00	20.80		
20	Willow Beach	DIST/ UNATTENDED	69.00	12.00		
21	Eastern	DIST/ UNATTENDED	69.00	13.20		
22	West Golden Valley	DIST/ UNATTENDED	69.00	20.80		
23	Cattail Cove	DIST/ UNATTENDED	69.00	13.20		
24	Havasus Sub	DIST/ UNATTENDED	69.00	13.20		
25	Palo Verde	DIST/ UNATTENDED	69.00	13.20		
26	London Bridge	DIST/ UNATTENDED	69.00	13.20		
27	Franconia	DIST/ UNATTENDED	69.00	20.80		
28	Kiowa	DIST/ UNATTENDED	69.00	13.20		
29	Mulberry	DIST/ UNATTENDED	69.00	13.20		
30	Clearwater	DIST/ UNATTENDED	69.00	13.20		
31	North Havasu 20.8kV	DIST/ UNATTENDED	69.00	20.80		
32	Desert Hills	DIST/ UNATTENDED	69.00	13.20		
33	Black Mesa Substation	TRANS/UNATTENDED	230.00	69.00	13.20	
34	Hilltop Substation	TRANS/UNATTENDED	230.00	69.00	13.20	
35	Griffith Substation	TRANS/UNATTENDED	230.00	69.00	12.00	
36	North Havasu Substation	TRANS/UNATTENDED	230.00	69.00	12.00	
37	SANTA CRUZ - AZ Electric					
38	Valencia	DIST/ UNATTENDED	115.00	13.20		
39	Sonoita	DIST/ UNATTENDED	115.00	13.20		
40	Kantor	DIST/ UNATTENDED	115.00	13.20		

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
SUBSTATIONS (Continued)						
5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.						
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
66	2		Forced Air		66	2
3	3		None		3	3
12	1		Forced Air		12	4
1	3		None		1	5
2	3		None		2	6
10	1		Forced Air		10	7
12	1		Forced Air		12	8
12	1		Forced Air		12	9
20	1	1	Forced Air		20	10
40	1		Forced Air		40	11
5	1		None		5	12
3	1		Forced Air		3	13
3	3		None		3	14
12	1	1	Forced Air		12	15
12	1	1	Forced Air		12	16
20	1		Forced Air		20	17
12	1		Forced Air		12	18
3	1		Forced Air		3	19
2	1		Forced Air		2	20
12	1		Forced Air		12	21
20	1		Forced Air		20	22
1	3	1	None		1	23
50	2		Force Air		50	24
50	2		Forced Air		50	25
90	3		Forced Air & Oil		90	26
5	1		Forced Air		5	27
50	2		Forced Air		50	28
33	1		Forced Air		33	29
33	1		Forced Air & Oil		33	30
6	1		Forced Air		6	31
40	1		Forced Air		40	32
230	4		Forced Air		230	33
160	2		Forced Air		160	34
80	1		Forced Air		80	35
80	1		Forced Air		80	36
						37
12	2		Forced Air & Oil		40	38
12	2		Forced Air & Oil		40	39
10	1		Forced Air		12	40

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Canez	DIST/ UNATTENDED	115.00	13.20	
2					
3	Summary	DIST/ UNATTENDED			
4	Summary	TRANS/ UNATTENDED			
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Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
10	1		Forced Air		12	1
						2
684						3
550						4
						5
						6
						7
						8
						9
						10
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Schedule F

UNS Electric, Inc.
Income Statement - Test Year Ended December 31, 2008 and
Projected Year Ended December 31, 2009 at Present and Proposed Rates

Line No.	Description	Test Year Ended December 31, 2008 (a)	Projected Year Ended December 31, 2009		Line No.
			Present Rates	Proposed Rates	
1	Operating Revenues	\$194,910,688	\$178,640,124	\$193,029,867	1
2	Operating Expenses				2
3	Fuel, Purchased Power & Transmission	143,362,723	122,046,966	122,046,966	3
4	Other Operations and Maintenance Expense	21,409,649	25,900,213	25,900,213	4
5	Depreciation and Amortization	14,429,415	14,496,414	14,496,414	5
6	Taxes Other than Income Taxes	3,680,634	4,203,571	4,203,571	6
	Total Operating Expenses	182,882,421	166,647,164	166,647,164	
7	Pre-Tax Operating Income	12,028,267	11,992,960	26,382,703	7
8	Other Income and Deductions				8
9	Allowance for Equity Funds	322,168	359,803	359,803	9
10	Other - Net	76,881	(23,388)	(13,891)	10
	Total Other Income and Deductions	399,049	336,415	345,912	
11	Income Before Interest Expense	12,427,316	12,329,375	26,728,615	11
12	Interest Expense				12
13	Interest on Long-Term Debt	6,546,248	6,821,286	6,821,286	13
14	Other Interest Expense	217,612	208,455	203,356	14
15	Allowance for Borrowed Funds	(181,815)	(313,178)	(313,178)	15
	Total Interest Expense	6,582,045	6,716,563	6,711,464	
16	Income Before Income Tax Expense	5,845,271	5,612,812	20,017,151	16
17	Income Tax Expense	2,081,685	2,220,034	7,932,000	17
18	Net Income Available for Common Stock	\$3,763,586	\$3,392,778	\$12,085,151	18
19	Earnings Per Share of Average Common Stock Outstanding	(1)	N/A	N/A	19
20	Return on Average Common Equity	4.60%	3.97%	13.46%	20

(1) UNS Electric, Inc. is a subsidiary of UniSource Energy Corporation and has no publicly traded stock; thus such information is not meaningful.

Supporting Schedules
(a) E-2

Recap Schedules
A-2

Line No.	Description	Test Year Ended December 31, 2008 (a)	Present Rates	Proposed Rates	Line No.
1	Cash Flows from Operating Activities	\$196,541	\$188,612	\$202,589	1
2	Cash Receipts from Operating Activities	\$9,410	1,789	1,789	2
3	Cash Receipts from Retail Customers	2,132	4,904	4,914	3
4	Other Cash Receipts	(134,127)	(116,043)	(116,043)	4
5	Fuel & Purchased Power	(24,135)	(22,949)	(22,949)	5
6	Payment of Other Operations and Maintenance Costs	(5,171)	(12,916)	(12,916)	6
7	Intercompany Cash Flows	(5,019)	(6,693)	(6,693)	7
8	Taxes Paid, Net of Amounts Capitalized	(17,789)	(15,719)	(15,719)	8
9	Net Income Taxes Paid	(713)	7,234	(6,868)	9
10	Other Cash Payments	(7,578)	3,530	(17,675)	10
11	Net Cash Flows from Operating Activities	13,551	31,749	43,785	11
12	Cash Flows from Investing Activities	(29,864)	(28,227)	(28,227)	12
13	Capital Expenditures	80	0	0	13
14	Other	(29,584)	(28,227)	(28,227)	14
15	Net Cash Flows from Investing Activities	(29,864)	(28,227)	(28,227)	15
16	Cash Flow from Financing Activities	40,000	0	0	16
17	Net Proceeds from Issuance / Retirement of Long-Term Debt	(18,000)	(5,168)	(8,000)	17
18	Net Borrowings under Revolver	270	0	0	18
19	Equity Investment from UnitSource Energy Services	(104)	(102)	(102)	19
20	Payments on Capital Lease Obligations	6	(2,061)	(2,061)	20
21	Net Cash Flows from Financing Activities	22,172	(7,331)	(10,163)	21
22	Net Increase (Decrease) in Cash	\$6,139	(\$3,809)	\$5,395	22
23	Supporting Schedule (a) E-3				23
24	Recap Schedules A-5				24

UNS Electric, Inc.
Projected Construction Requirements
Test Year Ended December 31, 2008 and Projected Years 2009 through 2011 as of December 31
(Thousands of Dollars)

Line No.	Description	Test Year Ended December 31, 2008 (a), (b)	Projected Year Ended December 31,			Total 2009-2011	Line No.
			2009 (a), (b)	2010 (a)	2011 (a)		
1	Other Production Plant	\$649	\$399	\$321	\$532	\$1,252	1
2	Transmission Plant	6,401	7,244	9,623	9,957	26,824	2
3	Distribution Plant	20,411	18,958	11,422	9,787	40,167	3
4	General Plant	2,203	1,626	2,503	1,922	6,051	4
5	Total Construction Expenditures	<u>\$29,664</u>	<u>\$28,227</u>	<u>\$23,869</u>	<u>\$22,198</u>	<u>\$74,294</u>	5

Supporting Schedules
N/A

Recap Schedules
(a) A-4
(b) F-2

UNS Electric, Inc.

Key Assumptions Used in Preparing Forecasts

Customer Growth and Sales

Retail customer growth is forecasted to be 0.5% in 2009.

Retail sales growth is forecasted to be 6.5% in 2009.

Fuel, Purchased Power & Transmission Costs

Fuel and purchased power costs are forecasted using forward market projections and completed hedging transactions as of April 6, 2009.

PPFAC pricing and fuel and purchased power cost recovery are based on the PPFAC mechanism in effect as of April 2009.

Operations and Maintenance Expenses

O&M Expenses for 2009 are based on the operating budget approved in December 2008.

Construction Expenditures

Construction expenditures for 2009 are based on the capital budget approved in December 2008, adjusted for slower growth, and stated net of forecasted CIAC.

Interest Rate Assumptions

The interest rate on temporary investments is forecasted at 0.301% in 2009.

The interest rate on short-term borrowing is forecasted at 1.601% in 2009.

Capital Structure Changes

The balance of common equity is forecasted to grow in 2009 due to continued retention of earnings (no dividend is assumed).

External financing needs are assumed to be met with borrowings under the UNS Electric revolving credit facility.

Schedule G

SUMMARY AT PRESENT RATES

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LOS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 DEVELOPMENT OF RATE BASE								
2 ELECTRIC PLANT IN SERVICE		\$537,367,989	\$297,836,666	\$37,623,965	\$136,789,928	\$51,124,641	\$7,436,350	\$6,556,439
3 RESERVE FOR DEPRECIATION		256,144,427	141,820,991	17,897,480	65,320,694	24,286,116	3,774,779	3,044,366
4 DEFERRED TAXES & TAX CREDITS		(3,012,192)	(1,773,670)	(241,880)	(655,893)	(245,879)	(33,593)	(61,278)
5 WORKING CAPITAL		(13,059,303)	(7,363,981)	(949,891)	(3,214,772)	(1,148,047)	(190,104)	(192,506)
6 TOTAL RATE BASE		\$265,152,067	\$146,878,023	\$18,534,713	\$67,588,570	\$25,444,599	\$3,437,874	\$3,258,289
7 DEVELOPMENT OF RETURN								
8 SALES OF ELECTRICITY		\$159,280,447	\$80,442,482	\$10,569,832	\$48,286,092	\$16,938,518	\$2,481,085	\$562,438
9 SALES FOR RESALE		(0)	(0)	(0)	(0)	(0)	(0)	(0)
10 OTHER OPERATING REVENUE		1,645,619	1,269,510	183,877	129,035	53,938	7,569	1,691
11 TOTAL OPERATING REVENUE		160,926,065	81,711,991	10,753,709	48,415,127	16,992,456	2,488,654	564,129
12 OPERATING EXPENSES								
13 OPERATION & MAINTENANCE		130,729,179	66,918,822	8,076,812	36,185,311	16,449,069	2,308,787	790,379
14 DEPRECIATION & AMORT EXPENSE		14,235,222	7,914,678	1,002,437	3,613,222	1,340,498	197,152	167,235
15 TAXES OTHER THAN INCOME TAX		3,837,049	2,144,172	273,845	958,230	358,038	51,819	50,947
16 STATE & FEDERAL INCOME TAX		2,121,267	1,175,714	148,521	539,980	201,815	29,355	25,882
17 TOTAL OPERATING EXPENSES		150,922,718	78,153,386	9,501,614	41,296,742	18,349,420	2,587,113	1,034,443
18 OPERATING INCOME		\$10,003,347	\$3,558,606	\$1,252,094	\$7,118,385	(\$1,356,964)	(\$88,459)	(\$470,314)
19 RATE OF RETURN		3.77%	2.42%	6.76%	10.53%	-5.33%	-2.86%	-14.43%
20 INDEX RATE OF RETURN		1.00	0.64	1.79	2.79	-1.41	-0.76	-3.83
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SUMMARY AT PROPOSED RATES

1 DEVELOPMENT OF RETURN AT EQUALIZED RATE LEVELS

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
2								
3 RATE BASE		\$285,152,067	\$146,878,023	\$18,534,713	\$67,598,570	\$25,444,599	\$3,437,874	\$3,258,289
4 RETURN		\$18,253,668	\$10,111,415	\$1,275,972	\$4,653,638	\$1,751,664	\$236,671	\$224,308
5 RATE OF RETURN		6.88%	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%
6								
7 OPERATION & MAINTENANCE EXPENSE		130,729,179	66,918,822	8,076,812	36,185,311	16,449,069	2,308,787	790,379
8 DEPRECIATION & AMORT EXPENSE		14,235,222	7,914,678	1,002,437	3,613,222	1,340,498	197,152	167,235
9 TAXES OTHER THAN INCOME TAX		3,837,049	2,144,172	273,845	958,230	358,038	51,819	50,947
10 STATE & FEDERAL INCOME TAX		7,370,946	5,345,267	163,714	(1,028,338)	2,179,835	242,598	467,870
11 TOTAL OPERATING EXPENSES		156,172,397	82,322,938	9,516,808	39,728,424	20,327,439	2,800,356	1,476,431
12								
13 TOTAL COST OF SERVICE		\$174,426,065	\$92,434,354	\$10,792,779	\$44,382,063	\$22,079,103	\$3,037,027	\$1,700,739
14 LESS:								
15 SALES FOR RESALE		(0)	(0)	(0)	(0)	(0)	(0)	(0)
16 OTHER OPERATING REVENUES		1,645,619	1,269,510	183,877	129,035	53,938	7,569	1,691
17 EQUALS:								
18 PROPOSED BASE RATE SALES OF ELECTRICITY		\$172,780,446	\$91,164,844	\$10,608,903	\$44,253,028	\$22,025,165	\$3,029,458	\$1,699,048

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SUMMARY OF PROPOSED RATES

1 DEVELOPMENT OF RETURN AT PROPOSED RATE LEVELS

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
2 SALES OF ELECTRICITY		\$172,780,447	\$86,680,496	\$11,543,449	\$52,733,859	\$18,498,772	\$2,709,624	\$614,247
4 SALES FOR RESALE		(0)	(0)	(0)	(0)	(0)	(0)	(0)
5 OTHER OPERATING REVENUE		1,645,619	1,269,510	183,877	129,035	53,938	7,569	1,691
6 TOTAL OPERATING REVENUE		174,426,066	87,950,005	11,727,325	52,862,894	18,552,710	2,717,193	615,938
7								
8 OPERATION & MAINTENANCE EXPENSE		130,729,179	66,918,822	8,076,812	36,185,311	16,449,069	2,308,787	790,379
9 DEPRECIATION & AMORT EXPENSE		14,235,222	7,914,678	1,002,437	3,613,222	1,340,498	197,152	167,235
10 TAXES OTHER THAN INCOME TAX		3,837,049	2,144,172	273,845	958,230	358,038	51,819	50,947
11 STATE & FEDERAL INCOME TAX		7,370,946	5,345,267	163,714	(1,028,338)	2,179,835	242,598	467,870
12 TOTAL OPERATING EXPENSES		156,172,397	82,322,938	9,516,808	39,728,424	20,327,439	2,800,356	1,476,431
13								
14 RETURN AT PROPOSED RATES		\$18,253,669	\$5,627,067	\$2,210,518	\$13,134,469	(\$1,774,729)	(\$83,163)	(\$860,493)
15								
16 RATE OF RETURN		6.88%	3.83%	11.93%	19.43%	-6.97%	-2.42%	-26.41%
17 INDEX RATE OF RETURN		1.00	0.56	1.73	2.82	(1.01)	(0.35)	(3.84)

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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

DEVELOPMENT OF RATE BASE

ELECTRIC PLANT IN SERVICE

ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 INTANGIBLE PLANT							
2 302-FRANCHISES & CONSENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 303-MISCELLANEOUS INTANG PLT	8,741,931	4,832,072	608,157	2,239,304	836,837	121,997	103,564
4 302-FRANCH & CONSENTS - ACQ ADJ	(5,817)	(3,215)	(405)	(1,490)	(557)	(81)	(69)
5 303-MISC INTANGIBLE PLT - ACQ ADJ	(2,187,601)	(1,209,189)	(152,187)	(560,369)	(209,412)	(30,529)	(25,916)
6 TOTAL INTANGIBLE PLANT	\$6,548,513	\$3,619,668	\$455,566	\$1,677,446	\$626,868	\$91,387	\$77,579
7							
8							
9 TOTAL OTHER PRODUCTION PLANT							
10 340-LAND & LAND RIGHTS	\$205,436	\$105,515	\$12,003	\$59,859	\$25,254	\$2,454	\$350
11 341-STRUCTURES & IMPROVE	2,795,305	1,435,716	163,323	814,484	343,828	33,397	4,757
12 342-FUEL HOLDERS, PROD, & ACC	1,029,487	528,762	60,151	299,968	126,555	12,300	1,752
13 343-PRIME MOVERS	17,612,927	9,046,297	1,029,082	5,131,982	2,165,162	210,432	29,972
14 344-GENERATORS	7,678,010	3,943,556	448,608	2,237,187	943,860	91,734	13,066
15 345-ACCESSORY ELECT EQUIP	4,011,125	2,060,182	234,361	1,168,745	493,089	47,923	6,826
16 346-MISC POWER PLANT EQUIP	1,523,584	782,539	89,019	443,936	187,295	18,203	2,593
17 340-LAND & LAND RIGHTS - ACQ ADJ	(379,032)	(194,677)	(22,146)	(110,441)	(46,594)	(4,529)	(645)
18 341-STRUCT & IMPROVE - ACQ ADJ	(180,283)	(92,597)	(10,534)	(52,530)	(22,162)	(2,154)	(307)
19 342-FUEL HLD, PROD, & ACC - ACQ ADJ	(300,582)	(154,384)	(17,562)	(87,582)	(36,951)	(3,591)	(511)
20 343-PRIME MOVERS - ACQ ADJ	(3,870,528)	(1,987,969)	(226,146)	(1,127,778)	(475,805)	(46,244)	(6,586)
21 344-GENERATORS - ACQ ADJ	(1,222,549)	(627,922)	(71,431)	(356,221)	(150,288)	(14,607)	(2,080)
22 345-ACCESS ELECT EQUIP - ACQ ADJ	(949,529)	(487,694)	(55,479)	(276,670)	(116,726)	(11,345)	(1,616)
23 346-MISC POWER PLT EQUIP - ACQ ADJ	(235,301)	(120,854)	(13,748)	(68,561)	(28,926)	(2,811)	(400)
24 TOTAL OTHER PRODUCTION PLANT	27,718,071	14,236,470	1,619,502	8,076,377	3,407,390	331,165	47,168
25 TOTAL PRODUCTION PLANT	\$27,718,071	\$14,236,470	\$1,619,502	\$8,076,377	\$3,407,390	\$331,165	\$47,168
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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
ELECTRIC PLANT IN SERVICE CONTINUED								
1 GENERAL PLANT								
2 389-LAND & LAND RIGHTS	LABOR	\$45,767	\$26,949	\$3,675	\$9,966	\$3,736	\$510	\$931
3 390-STRUCTURES & IMPROVEMENTS	LABOR	3,852,233	2,268,312	309,336	838,808	314,449	42,961	78,367
4 391-OFFICE FURNITURE & EQUIP	LABOR	2,552,511	1,502,996	204,968	555,799	208,356	28,466	51,926
5 392-TRANSPORTATION EQUIP	LABOR	9,645,647	5,679,651	774,550	2,100,300	787,353	107,570	196,224
6 393-STORES EQUIPMENT	LABOR	109,831	64,672	8,819	23,915	8,965	1,225	2,234
7 394-TOOLS, SHOP, & GARAGE EQUIP	LABOR	3,258,333	1,918,606	261,646	709,489	265,971	36,338	66,285
8 395-LABORATORY EQUIPMENT	LABOR	1,428,110	840,915	114,678	310,965	116,573	15,927	29,052
9 396-POWER OPERATED EQUIP	LABOR	2,058,023	1,211,827	165,260	448,126	167,992	22,951	41,867
10 397-COMMUNICATION EQUIPMENT	LABOR	2,186,070	1,287,224	175,542	476,008	178,444	24,379	44,472
11 398-MISCELLANEOUS EQUIPMENT	LABOR	166,294	97,919	13,353	36,210	13,574	1,855	3,383
12 399-OTHER TANGIBLE PROPERTY	LABOR	0	0	0	0	0	0	0
13 399-LAND & LAND RIGHTS - ACQ ADJ	LABOR	(28,497)	(16,780)	(2,288)	(6,205)	(2,326)	(318)	(580)
14 390-STRUCTURES & IMPROV - ACQ ADJ	LABOR	(681,411)	(401,236)	(54,716)	(148,374)	(55,622)	(7,599)	(13,882)
15 391-OFFICE FURNITURE & EQ - ACQ ADJ	LABOR	(628,090)	(369,838)	(50,436)	(136,764)	(51,270)	(7,005)	(12,777)
16 392-TRANSPORTATION EQUIP - ACQ ADJ	LABOR	116,146	68,390	9,327	25,290	9,481	1,295	2,363
17 393-STORES EQUIPMENT - ACQ ADJ	LABOR	(44,769)	(26,362)	(3,595)	(9,748)	(3,654)	(499)	(911)
18 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	LABOR	(825,457)	(486,054)	(66,285)	(179,740)	(67,380)	(9,206)	(16,792)
19 395-LABORATORY EQUIP - ACQ ADJ	LABOR	(300,794)	(177,117)	(24,154)	(65,497)	(24,553)	(3,355)	(6,119)
20 396-POWER OPER EQUIP - ACQ ADJ	LABOR	(144,474)	(85,071)	(11,601)	(31,459)	(11,793)	(1,611)	(2,939)
21 397-COMMUNICATION EQUIP - ACQ ADJ	LABOR	(344,154)	(202,649)	(27,636)	(74,938)	(28,093)	(3,838)	(7,001)
22 398-MISCELLANEOUS EQUIP - ACQ ADJ	LABOR	(18,831)	(11,088)	(1,512)	(4,100)	(1,537)	(210)	(383)
23 TOTAL GENERAL PLANT		\$22,402,487	\$13,191,266	\$1,798,930	\$4,876,050	\$1,828,666	\$249,837	\$455,739
24								
25								
26 COMMON PLANT	LABOR	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27								
28								
29 TOTAL PLANT IN SERVICE		\$537,367,989	\$297,836,666	\$37,623,965	\$136,789,928	\$51,124,641	\$7,436,350	\$6,556,439
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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
ELECTRIC PLANT IN SERVICE CONTINUED								
1 LESS: RESERVE FOR DEPRECIATION								
2								
3 INTANGIBLE PLANT RESERVE								
4 302-FRANCH & CONSENTS	PISXGENL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 303-MISC. INTANG PLT	PISXGENL	2,877,462	1,590,507	200,179	737,081	275,450	40,156	34,089
6 302-FRANCH & CONSENTS - ACQ ADJ	PISXGENL	(135)	(75)	(9)	(35)	(13)	(2)	(2)
7 303-MISC. INTANG PLT - ACQ ADJ	PISXGENL	(346,772)	(191,677)	(24,124)	(88,828)	(33,195)	(4,839)	(4,108)
8 TOTAL INTANGIBLE PLANT RESERVE		\$2,530,555	\$1,398,755	\$176,045	\$648,219	\$242,242	\$35,315	\$29,979
9								
10 PRODUCTION PLANT RESERVE								
11 340-LAND & LAND RIGHTS	PRODPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE	PRODPIS	457,715	235,090	26,743	133,367	56,267	5,469	779
13 342-FUEL HLD, PROD, & ACC	PRODPIS	210,915	108,329	12,323	61,455	25,928	2,520	359
14 343-PRIME MOVERS	PRODPIS	5,051,791	2,594,685	295,164	1,471,970	621,018	60,357	8,597
15 344-GENERATORS	PRODPIS	652,862	335,321	38,145	190,228	80,257	7,800	1,111
16 345-ACCESSORY ELECT EQ	PRODPIS	1,089,296	559,481	63,645	317,394	133,907	13,014	1,854
17 346-MISC POWER PLT EQUIP	PRODPIS	152,170	78,157	8,891	44,339	18,706	1,818	259
18 340-LAND & LAND RIGHTS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ	PRODPIS	(14,139)	(7,262)	(826)	(4,120)	(1,738)	(169)	(24)
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ	PRODPIS	(39,375)	(20,224)	(2,301)	(11,473)	(4,840)	(470)	(67)
21 343-PRIME MOVERS - ACQ ADJ	PRODPIS	(492,580)	(252,997)	(28,780)	(143,526)	(60,553)	(5,885)	(838)
22 344-GENERATORS - ACQ ADJ	PRODPIS	(55,998)	(28,762)	(3,272)	(16,317)	(6,884)	(669)	(95)
23 345-ACCESSORY ELECT EQ - ACQ ADJ	PRODPIS	(113,453)	(58,271)	(6,629)	(33,057)	(13,947)	(1,355)	(193)
24 346-MISC POWER PLT EQUIP - ACQ ADJ	PRODPIS	(24,779)	(12,727)	(1,448)	(7,220)	(3,046)	(296)	(42)
25 TOTAL PRODUCTION PLANT RESERVE		\$6,874,425	\$3,530,821	\$401,657	\$2,003,042	\$845,075	\$82,133	\$11,698
26								
27 TRANSMISSION PLANT RESERVE								
28 350-LAND	TRANPIS	\$130,588	\$67,072	\$7,630	\$38,050	\$16,053	\$1,560	\$222
29 352-STRUCTURES & IMPROV.	TRANPIS	243,686	125,161	14,238	71,004	29,956	2,911	415
30 353-STATION EQUIPMENT	TRANPIS	11,840,743	6,081,606	691,827	3,450,107	1,455,586	141,469	20,149
31 354-TOWERS & FIXTURES	TRANPIS	432,787	222,287	25,287	126,104	53,203	5,171	736
32 355-POLES & FIXTURES	TRANPIS	13,216,631	6,788,285	772,217	3,851,007	1,624,724	157,907	22,491
33 356-OVHD COND. & DEVICES	TRANPIS	9,601,308	4,931,394	560,982	2,797,589	1,180,291	114,713	16,339
34 358-UNDERGROUND CONDUCTORS & DEV	TRANPIS	3,005	1,543	176	875	369	36	5
35 359-ROADS & TRAILS	TRANPIS	133,202	68,415	7,783	38,812	16,375	1,591	227
36 350-LAND - ACQ ADJ	TRANPIS	(2,015)	(1,035)	(118)	(587)	(248)	(24)	(3)
37 352-STRUCTURES & IMPROV. - ACQ ADJ	TRANPIS	(7,905)	(4,060)	(462)	(2,303)	(972)	(94)	(13)
38 353-STATION EQUIPMENT - ACQ ADJ	TRANPIS	(1,212,474)	(622,747)	(70,842)	(353,286)	(149,050)	(14,486)	(2,063)
39 354-TOWERS & FIXTURES - ACQ ADJ	TRANPIS	(100,145)	(51,436)	(5,851)	(29,180)	(12,311)	(1,196)	(170)
40 355-POLES & FIXTURES - ACQ ADJ	TRANPIS	(978,985)	(502,823)	(57,200)	(285,253)	(120,347)	(11,697)	(1,666)
41 356-OVHD COND. & DEVICES - ACQ ADJ	TRANPIS	(801,106)	(411,461)	(46,807)	(233,423)	(98,480)	(9,571)	(1,363)
42 TOTAL TRANSMISSION PLANT RESERVE		\$32,487,299	\$16,686,026	\$1,898,157	\$9,466,015	\$3,993,673	\$388,145	\$55,284
43								
44								
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ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LOS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
ELECTRIC PLANT IN SERVICE CONTINUED							
1 DISTRIBUTION PLANT RESERVE							
2 360-LAND & LAND RIGHTS	PLT360	\$39,431	\$22,195	\$9,989	\$3,607	\$706	\$105
3 361-STRUCTURES & IMPROV	PLT361	1,604,680	903,256	406,510	146,811	28,723	4,258
4 362-STATION EQUIPMENT	PLT362	29,319,311	16,503,400	7,427,351	2,682,379	524,807	77,799
5 364-POLES, TOWERS & FIXTURES	PLT364	64,768,141	36,457,015	16,407,470	5,925,538	1,159,331	171,863
6 365-OVHD CONDUCTORS & DEVICES	PLT365	47,778,302	26,893,689	12,103,498	4,371,164	855,217	126,780
7 366-UDGR CONDUCTORS & DEVICES	PLT366	7,432,398	4,271,376	1,922,332	694,248	0	0
8 367-UDGR CONDUIT	PLT367	19,653,085	11,294,567	5,083,117	1,835,762	0	0
9 368-LINE TRANSFORMER	PLT368	41,461,410	23,338,006	10,503,263	3,793,241	742,147	110,018
10 369-SERVICE DROP	PLT369	8,211,453	4,622,104	2,080,176	751,253	146,983	21,789
11 370-METERS	PLT370	2,120,609	1,698,566	131,103	1,239	2,218	0
12 371-INSTAL. ON CUST. PREMISE	PLT371	0	0	0	0	0	0
13 373-STREET LIGHTS	PLT373	2,621,600	0	0	0	0	2,621,600
14 360-LAND & LAND RIGHTS - ACQ ADJ	PLT360	(507)	(285)	(128)	(46)	(9)	(1)
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT361	(259,412)	(146,019)	(65,716)	(23,733)	(4,643)	(688)
16 362-STATION EQUIPMENT - ACQ ADJ	PLT362	(2,714,433)	(1,527,914)	(687,637)	(248,339)	(48,588)	(7,203)
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT364	(5,370,117)	(3,022,759)	(1,360,392)	(491,304)	(96,124)	(14,250)
18 365-OVHD COND & DEVICES - ACQ ADJ	PLT365	(3,731,981)	(2,100,676)	(945,409)	(341,433)	(66,801)	(9,903)
19 366-UDGR COND & DEVICES - ACQ ADJ	PLT366	(963,713)	(553,843)	(249,257)	(90,019)	0	0
20 367-UDGR CONDUIT - ACQ ADJ	PLT367	(1,613,992)	(927,556)	(417,446)	(150,760)	0	0
21 368-LINE TRANSFORMER - ACQ ADJ	PLT368	(3,064,870)	(1,725,169)	(776,412)	(280,400)	(54,860)	(8,133)
22 369-SERVICE DROP - ACQ ADJ	PLT369	(916,869)	(516,092)	(232,267)	(83,883)	(16,412)	(2,433)
23 370-METERS - ACQ ADJ	PLT370	(500,406)	(400,815)	(30,937)	(292)	(523)	0
24 373-STREET LIGHTS - ACQ ADJ	PLT373	(321,166)	0	0	0	0	(321,166)
25 TOTAL DISTRIBUTION PLANT RESV		\$205,552,964	\$115,083,045	\$51,309,207	\$18,495,031	\$3,172,171	\$2,770,435
26							
27 GENERAL PLANT RESERVE							
28 389-LAND & LAND RIGHTS	GENLPIS	\$0	\$0	\$0	\$0	\$0	\$0
29 390-STRUCT & IMPROVE	GENLPIS	1,062,849	625,838	231,431	86,758	11,853	21,622
30 391-OFFICE FURN & EQUIP	GENLPIS	1,767,385	1,040,690	384,841	144,268	19,710	35,954
31 392-TRANSP EQUIP	GENLPIS	3,007,290	1,770,784	654,825	245,478	33,538	61,178
32 393-STORES EQUIPMENT	GENLPIS	98,986	56,286	21,554	8,080	1,104	2,014
33 394-TOOLS, SHOP, & GAR EQ	GENLPIS	1,447,195	852,153	315,121	118,131	16,139	29,441
34 395-LABORATORY EQUIP	GENLPIS	398,707	234,771	86,817	32,546	4,446	8,111
35 396-POWER OPER EQUIP	GENLPIS	853,822	502,756	185,916	69,696	9,522	17,369
36 397-COMMUNICATION EQUIP	GENLPIS	632,410	372,382	137,705	51,622	7,053	12,865
37 398-MISCELLANEOUS EQUIP	GENLPIS	96,323	56,718	20,974	7,963	1,074	1,960
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ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 GENERAL PLANT RESERVE CONTINUED							
2 389-LAND & LAND RIGHTS - ACQ ADJ	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 390-STRUCT & IMPROVE - ACQ ADJ	(105,216)	(61,955)	(8,449)	(22,910)	(8,589)	(1,173)	(2,140)
4 391-OFFICE FURN & EQUIP - ACQ ADJ	(454,710)	(267,747)	(36,513)	(99,011)	(37,117)	(5,071)	(9,250)
5 392-TRANSP EQUIP - ACQ ADJ	187,860	110,617	15,085	40,906	15,335	2,095	3,822
6 393-STORES EQUIPMENT - ACQ ADJ	(6,430)	(3,786)	(516)	(1,400)	(525)	(72)	(131)
7 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	(136,469)	(80,357)	(10,959)	(29,716)	(11,140)	(1,522)	(2,776)
8 395-LABORATORY EQUIP - ACQ ADJ	(39,240)	(23,106)	(3,151)	(8,544)	(3,203)	(438)	(798)
9 396-POWER OPER EQUIP - ACQ ADJ	(28,962)	(17,054)	(2,326)	(6,306)	(2,364)	(323)	(589)
10 397-COMMUNICATION EQUIP - ACQ ADJ	(77,071)	(45,382)	(6,189)	(16,782)	(6,291)	(860)	(1,568)
11 398-MISCELLANEOUS EQUIP - ACQ ADJ	(5,545)	(3,265)	(445)	(1,207)	(453)	(62)	(113)
12 TOTAL GENERAL PLANT RESERVE	\$8,699,184	\$5,122,344	\$698,548	\$1,894,212	\$710,095	\$97,015	\$176,970
13							
14 TOTAL RESERVE FOR DEPRECIATION	\$256,144,427	\$141,820,991	\$17,897,480	\$65,320,694	\$24,286,116	\$3,774,779	\$3,044,366
15							
16 NET PLANT IN SERVICE	\$281,223,562	\$156,015,675	\$19,726,485	\$71,469,234	\$26,838,525	\$3,661,571	\$3,512,073
17							
18							
19 ADDITIONS & DEDUCTIONS TO RATE BASE							
20							
21 DEFERRED TAXES AND TAX CREDITS							
22 PRODUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 TRANSMISSION	0	0	0	0	0	0	0
24 DISTRIBUTION	0	0	0	0	0	0	0
25 GENERAL	(3,012,192)	(1,773,670)	(241,880)	(655,893)	(245,879)	(33,593)	(61,278)
26 TOTAL DEF. TAXES AND TAX CREDITS	(\$3,012,192)	(\$1,773,670)	(\$241,880)	(\$655,893)	(\$245,879)	(\$33,593)	(\$61,278)
27							
28 WORKING CAPITAL							
29 CASH WORKING CAPITAL	(\$2,810,346)	(\$1,557,637)	(\$196,767)	(\$715,389)	(\$267,373)	(\$38,891)	(\$34,289)
30 MATERIALS & SUPPLIES	8,261,763	4,579,089	578,450	2,103,076	786,016	114,330	100,802
31 FUEL RELATED	0	0	0	0	0	0	0
32 PREPAYMENTS	634,351	351,590	44,414	161,478	60,352	8,778	7,740
33 TOTAL CASH WORKING CAPITAL	\$6,085,768	\$3,373,042	\$426,097	\$1,549,165	\$578,994	\$84,218	\$74,253
34 CIAC & AMORT	0	0	0	0	0	0	0
35 CUSTOMER ADVANCES	(15,080,400)	(8,484,176)	(1,091,399)	(3,729,253)	(1,340,333)	(218,073)	(217,166)
36 CUSTOMER DEPOSITS	(4,064,671)	(2,252,847)	(284,589)	(1,034,684)	(386,709)	(56,249)	(49,593)
37 TOTAL CASH WORKING CAPITAL	(\$13,059,303)	(\$7,363,981)	(\$949,891)	(\$3,214,772)	(\$1,148,047)	(\$190,104)	(\$192,506)
38							
39 TOTAL RATE BASE	\$265,152,067	\$146,878,023	\$18,534,713	\$67,598,570	\$25,444,599	\$3,437,874	\$3,258,289
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OPERATING REVENUES

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 SALES REVENUES								
2 SALES OF ELECTRICITY		\$159,280,447	\$80,442,482	\$10,569,832	\$48,286,092	\$16,938,518	\$2,481,085	\$562,438
3 SALES FOR RESALE		(0)	(0)	(0)	(0)	(0)	(0)	(0)
4 TOTAL SALES REVENUE		159,280,446	80,442,482	10,569,832	48,286,092	16,938,518	2,481,085	562,438
5								
6 OTHER OPERATING REVENUES								
7 450-LATE FEES		0	0	0	0	0	0	0
8 451-MISCELLANEOUS SERVICE REV		1,220,716	1,054,918	155,680	225	8,753	950	191
9 454-RENT FROM ELECT PROPERTY		428,014	216,163	28,403	129,753	45,517	6,667	1,511
10 456-OTHER ELECTRIC REVENUES		(3,111)	(1,571)	(206)	(943)	(331)	(48)	(11)
11 TOTAL OTHER OPERATING REV		1,645,619	1,269,510	183,877	129,035	53,938	7,569	1,691
12								
13 TOTAL OPERATING REVENUES		\$160,926,066	\$81,711,991	\$10,753,709	\$48,415,127	\$16,992,456	\$2,488,654	\$564,129
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	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE								
1 POWER PRODUCTION EXPENSE								
2 OTHER POWER GENERATION								
3 OPERATION								
4 546-SUPERVISION & ENGINEERING	DPROD	\$10,003	\$5,138	\$584	\$2,915	\$1,230	\$120	\$17
5 547-FUEL	EFUEL	7,621,714	3,757,105	433,355	2,236,377	1,034,146	146,141	14,589
6 548-GENERATION EXPENSES	PRODPS	37,023	19,015	2,163	10,787	4,551	442	63
7 549-MISC OTH POWER GEN EXP	PRODPS	116,207	59,686	6,790	33,860	14,285	1,388	198
8 550-RENTS	PRODPS	0	0	0	0	0	0	0
9 550.1-OPER SUPPLIES & EXP	PRODPS	0	0	0	0	0	0	0
10 TOTAL OPERATION EXPENSE		7,784,947	3,840,944	442,893	2,283,940	1,054,212	148,092	14,867
11 MAINTENANCE								
12 551-SUPERVISION & ENGINEER	LAB55254	0	0	0	0	0	0	0
13 552-STRUCTURES	PRODPS	0	0	0	0	0	0	0
14 553-GENERATING & ELECT PLT	PRODPS	127,265	65,366	7,436	37,082	15,845	1,521	217
15 554-MISC OTH POWER GEN PLT	PRODPS	65,564	33,675	3,831	19,104	8,060	783	112
16 BLANK	PRODPS	0	0	0	0	0	0	0
17 TOTAL MAINTENANCE EXPENSE		192,829	99,040	11,267	56,186	23,705	2,304	328
18 TOT OTH POWER GENERATION EXP		\$7,977,777	\$3,939,984	\$454,159	\$2,340,126	\$1,077,917	\$150,396	\$15,195
19 OTHER POWER SUPPLY EXPENSES								
20 555-PURCHASED POWER								
21 DEMAND CHARGES	DPROD	0	0	0	0	0	0	0
22 ENERGY CHARGES	EFUEL	95,598,854	47,125,215	5,435,559	28,050,794	12,971,251	1,833,047	182,990
23 ENERGY CHARGES	EFUEL	0	0	0	0	0	0	0
24 OTHER CHARGES	EPROD	0	0	0	0	0	0	0
25 TOTAL PURCHASED POWER		95,598,854	47,125,215	5,435,559	28,050,794	12,971,251	1,833,047	182,990
26 556-SYS CONTRL & LOAD DISP	DPROD	3,220	1,654	188	938	396	38	5
27 557-OTHER EXPENSES	DPROD	224,398	115,255	13,111	65,384	27,585	2,681	382
28 TOTAL OTHER POWER SUPPLY EXP		\$95,826,472	\$47,242,123	\$5,448,858	\$28,117,116	\$12,999,232	\$1,835,766	\$183,377
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40 TOTAL POWER PRODUCTION EXP		\$103,804,248	\$51,182,107	\$5,903,017	\$30,457,242	\$14,077,148	\$1,986,162	\$198,572
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	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LOS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE								
1 TRANSMISSION EXPENSES								
2 OPERATION								
3 560-SUPERVISION & ENGINEER	TRANPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 561-LOAD DISPATCHING	TRANPIS	6,095	3,130	356	1,776	749	73	10
5 562-STATION EXPENSES	TRANPIS	33,073	16,987	1,932	9,637	4,066	395	56
6 563-OVERHEAD LINE EXPENSES	TRANPIS	26,672	13,699	1,558	7,772	3,279	319	45
7 564-UNDERGROUND LINE EXP	TRANPIS	15,619	8,022	913	4,551	1,920	187	27
8 565-TRANSM ELECT BY OTHERS	EFUEL	8,082,997	3,984,493	459,583	2,371,728	1,096,735	154,986	15,472
9 566-MISCELLANEOUS TRNSM EXP	TRANPIS	100,085	51,405	5,848	29,162	12,303	1,196	170
10 567-RENTS	TRANPIS	27,940	14,350	1,632	8,141	3,435	334	48
11 565-TRANSM ELECT BY OTHERS	EFUEL	0	0	0	0	0	0	0
12 TOTAL OPERATION EXPENSE		8,292,481	4,092,088	471,823	2,432,767	1,122,487	157,489	15,828
13 MAINTENANCE								
14 568-SUPERVISION & ENGINEER	LAB56973	0	0	0	0	0	0	0
15 569-STRUCTURES	TRANPIS	0	0	0	0	0	0	0
16 570-STATION EQUIPMENT	TRANPIS	22,997	11,811	1,344	6,701	2,827	275	39
17 571-OVERHEAD LINES	TRANPIS	37,340	19,179	2,182	10,880	4,590	446	64
18 572-MAINT OF UNDRGRND LINES	TRANPIS	23	12	1	7	3	0	0
19 573-MAINT MISC TRANSM PLT	TRANPIS	0	0	0	0	0	0	0
20 TOTAL MAINTENANCE EXPENSE		60,360	31,002	3,527	17,587	7,420	721	103
21 TOTAL TRANSMISSION EXPENSES		\$8,352,841	\$4,123,089	\$475,349	\$2,450,354	\$1,129,907	\$158,210	\$15,931

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ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED							
1 DISTRIBUTION EXPENSES							
2 OPERATION							
3 580-SUPERVISION & ENGINEER	\$423,430	\$273,693	\$39,837	\$78,992	\$25,311	\$3,177	\$2,419
4 DISTPIS	582,583	327,759	42,163	144,068	51,779	8,425	8,389
5 581-LOAD DISPATCHING	74,790	42,098	5,366	18,946	6,842	1,339	198
6 582-STATION EXPENSES	499,849	281,357	35,863	126,625	45,730	8,947	1,326
7 583-OVERHEAD LINE EXPENSES	490,312	281,781	35,917	126,815	45,799	0	0
8 584-UNDERGROUND LINE EXP	1,894	0	0	0	0	0	1,894
9 585-STREET LIGHT & SIGNAL	778,885	623,872	105,590	48,153	455	815	0
10 586-METER EXPENSES	35,827	20,156	2,593	8,860	3,184	518	516
11 587-CUST INSTALLATIONS EXP	1,097,758	617,595	79,447	271,466	97,568	15,874	15,808
12 588-MISC DISTRIBUTION EXP	83,088	46,745	6,013	20,547	7,385	1,202	1,197
13 589-RENTS	4,068,416	2,515,056	352,789	844,473	284,055	40,296	31,748
14 TOTAL OPERATION EXPENSE							
15 MAINTENANCE							
16 590-SUPERVISION & ENGINEER	0	0	0	0	0	0	0
17 591-STRUCTURES	0	0	0	0	0	0	0
18 592-STATION EQUIPMENT	734,286	413,319	52,683	186,014	67,179	13,144	1,948
19 593-OVERHEAD LINES	763,922	430,000	54,809	193,522	69,890	13,674	2,027
20 594-UNDERGROUND LINES	108,736	62,490	7,965	28,124	10,157	0	0
21 595-LINE TRANSFORMERS	104,881	59,036	7,525	26,569	9,595	1,877	278
22 596-STREET LIGHT & SIGNAL	315,846	0	0	0	0	0	315,846
23 597-METERS	614	492	83	38	0	1	0
24 598-MISC DISTRIBUTION PLANT	15,555	8,751	1,126	3,847	1,383	225	224
25 BLANK	0	0	0	0	0	0	0
26 TOTAL MAINTENANCE EXPENSE	2,043,840	974,088	124,191	438,113	158,204	28,920	320,323
27 TOTAL DISTRIBUTION EXPENSES	\$6,112,256	\$3,489,144	\$476,980	\$1,282,585	\$442,259	\$69,216	\$352,071

ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED							
1 CUSTOMER ACCOUNTS EXPENSES							
2 901-SUPERVISION	\$260,950	\$198,177	\$33,541	\$15,296	\$9,470	\$259	\$4,207
3 902-METER READING EXPENSE	915,625	706,293	119,540	54,515	34,354	922	0
4 903-CUST RECORDS & COLL EXP	3,070,983	2,327,967	394,009	179,683	113,233	3,039	53,063
5 904-UNCOLLECTIBLE ACCOUNTS	764,063	429,859	55,297	188,946	67,909	11,049	11,003
6 905-MISC CUST ACCTS EXP	39,451	31,033	5,252	2,395	23	41	707
7 TOTAL CUSTOMER ACCTS EXPENSE	\$5,051,083	\$3,693,328	\$607,640	\$440,835	\$224,989	\$15,310	\$68,980
8							
9 CUSTOMER SERVICE & INFO EXP							
10 431-CUSTOMER DEPOSIT INTEREST	\$14,499	\$8,157	\$1,049	\$3,585	\$1,289	\$210	\$209
11 908-CUSTOMER ASSISTANCE EXP	94,671	75,830	12,834	5,853	55	99	0
12 909-INFO & INSTRUCT EXP	49,423	39,587	6,700	3,055	29	52	0
13 910-MISC CUST SERV & INFO EX	31,336	25,100	4,248	1,937	18	33	0
14 TOTAL CUST SERVICE & INFO EXP	\$189,930	\$148,674	\$24,832	\$14,431	\$1,391	\$393	\$209
15							
16 SALES EXPENSES							
17 911-SUPERVISION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 912-DEMONSTRATING & SELLING	0	0	0	0	0	0	0
19 913-ADVERTISING EXPENSE							
20 SAFETY	0	0	0	0	0	0	0
21 DSM	0	0	0	0	0	0	0
22 ENVIRONMENTAL	0	0	0	0	0	0	0
23 OTHER	0	0	0	0	0	0	0
24 TOTAL ACCOUNT 913	0	0	0	0	0	0	0
25 914-MISCELLANEOUS SALES EXP	0	0	0	0	0	0	0
26 TOTAL SALES EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27							
28 TOTAL OPER & MAINT EXCL A&G	\$123,510,358	\$62,636,343	\$7,487,818	\$34,645,448	\$15,875,894	\$2,229,291	\$635,764

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ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED							
1 ADMINISTRATION							
2 OPERATION							
3 920-ADMIN & GEN SALARIES	\$2,958,987	\$1,765,536	\$244,447	\$620,393	\$231,037	\$31,806	\$65,769
4 921-OFFICE SUPPLIES & EXP	971,717	579,794	80,275	203,734	75,871	10,445	21,598
5 922-ADMIN EXP TRANSF-CREDIT	(1,004,502)	(599,355)	(82,984)	(210,608)	(78,431)	(10,797)	(22,327)
6 923-OUTSIDE SERVICES EMPLOY	1,174,772	700,950	97,050	246,307	91,726	12,627	26,112
7 924-PROPERTY INSURANCE							
8 PRODUCTION RELATED	0	0	0	0	0	0	0
9 TRANSMISSION RELATED	0	0	0	0	0	0	0
10 DISTRIBUTION RELATED	81,780	46,009	5,919	20,223	7,269	1,183	1,178
11 OTHER	0	0	0	0	0	0	0
12							
13 925-INJURIES & DAMAGES	511,137	304,980	42,226	107,167	39,909	5,494	11,361
14 926-EMPLOYEE PENSNS & BENE	1,990,376	1,187,596	164,428	417,310	155,408	21,394	44,240
15 927-FRANCHISE REQUIREMENTS	0	0	0	0	0	0	0
16 928-REGULATORY COMMISSION EXP	197,223	109,311	13,809	50,204	18,764	2,729	2,406
17 929-DUPLICATE CHARGES-CR	(86,769)	(48,092)	(6,075)	(22,088)	(8,255)	(1,201)	(1,059)
18 930-GENEAL ADVERTISING EX	350,073	194,028	24,510	89,113	33,306	4,844	4,271
19 931-RENTS	54,001	29,930	3,781	13,746	5,138	747	659
20 933-TRANSPORTATION EXPT	0	0	0	0	0	0	0
21 TOTAL OPERATION EXPENSE	7,198,796	4,270,687	587,386	1,535,503	571,740	79,272	154,208
22 MAINTENANCE							
23 935-MAINT OF GENERAL PLANT	20,026	11,792	1,608	4,361	1,635	223	407
24 TOTAL ADMIN & GENERAL EXPENSE	7,218,822	4,282,479	588,994	1,539,863	573,375	79,496	154,616
25 PAYROLL EXPENSE ADJUSTMENT	0	0	0	0	0	0	0
26 TOTAL OPERATION & MAINT EXP	130,729,179	66,918,822	8,076,812	36,185,311	16,449,069	2,308,787	790,379

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	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
DEPRECIATION & AMORTIZATION EXPENSE								
1 DEPRECIATION EXPENSE								
2								
3 INTANGIBLE DEPREC EXP								
4 302-FRANCH & CONSENTS	PISXGENL	\$20	\$11	\$1	\$5	\$2	\$0	\$0
5 303-MISC. INTANG PLT	PISXGENL	1,160,542	641,485	80,736	297,281	111,095	16,196	13,749
6 302-FRANCH & CONSENTS - ACQ ADJ	PISXGENL	(153)	(85)	(11)	(39)	(15)	(2)	(2)
7 303-MISC. INTANG PLT - ACQ ADJ	PISXGENL	(119,427)	(66,013)	(8,308)	(30,592)	(11,432)	(1,667)	(1,415)
8 TOTAL INTANGIBLE DEPREC EXPENSE		\$1,040,982	\$575,399	\$72,419	\$266,654	\$99,650	\$14,527	\$12,332
9								
10 PRODUCTION DEPREC EXP								
11 340-LAND & LAND RIGHTS	PRODPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE	PRODPIS	32,914	16,905	1,923	9,590	4,046	393	56
13 342-FUEL HLD, PROD, & ACC	PRODPIS	19,643	10,089	1,148	5,723	2,415	235	33
14 343-PRIME MOVERS	PRODPIS	308,783	158,596	18,041	89,972	37,959	3,689	525
15 344-GENERATORS	PRODPIS	96,843	49,740	5,658	28,218	11,905	1,157	165
16 345-ACCESSORY ELECT EQ	PRODPIS	53,906	27,687	3,150	15,707	6,627	644	92
17 346-MISC POWER PLT EQUIP	PRODPIS	28,904	14,846	1,689	8,422	3,553	345	49
18 340-LAND & LAND RIGHTS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ	PRODPIS	(2,258)	(1,160)	(132)	(658)	(278)	(27)	(4)
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ	PRODPIS	(6,296)	(3,234)	(368)	(1,834)	(774)	(75)	(11)
21 343-PRIME MOVERS - ACQ ADJ	PRODPIS	(74,538)	(38,284)	(4,355)	(21,719)	(9,163)	(891)	(127)
22 344-GENERATORS - ACQ ADJ	PRODPIS	(15,953)	(8,194)	(932)	(4,648)	(1,961)	(191)	(27)
23 345-ACCESSORY ELECT EQ - ACQ ADJ	PRODPIS	(14,093)	(7,238)	(823)	(4,106)	(1,732)	(168)	(24)
24 346-MISC POWER PLT EQUIP - ACQ ADJ	PRODPIS	(4,797)	(2,464)	(280)	(1,398)	(590)	(57)	(8)
25 TOTAL PRODUCTION DEPREC EXPENSE		\$423,060	\$217,291	\$24,718	\$123,269	\$52,007	\$5,055	\$720
26								
27 TRANSMISSION DEPREC EXP								
28 350-LAND	TRANPIS	\$3,823	\$1,964	\$223	\$1,114	\$470	\$46	\$7
29 352-STRUCTURES & IMPROV.	TRANPIS	13,625	6,998	796	3,970	1,675	163	23
30 353-STATION EQUIPMENT	TRANPIS	542,398	278,585	31,691	158,042	66,677	6,480	923
31 354-TOWERS & FIXTURES	TRANPIS	22,677	11,647	1,325	6,608	2,788	271	39
32 355-POLES & FIXTURES	TRANPIS	959,507	492,819	56,062	279,577	117,953	11,464	1,633
33 356-OVHD COND. & DEVICES	TRANPIS	369,804	189,938	21,607	107,752	45,460	4,418	629
34 358-UNDERGROUND CONDUCTORS & DEV	TRANPIS	1,121	576	66	327	138	13	2
35 359-ROADS & TRAILS	TRANPIS	3,475	1,785	203	1,013	427	42	6
36 350-LAND - ACQ ADJ	TRANPIS	(1,898)	(975)	(111)	(553)	(233)	(23)	(3)
37 352-STRUCTURES & IMPROV. - ACQ ADJ	TRANPIS	(965)	(496)	(56)	(281)	(119)	(12)	(2)
38 353-STATION EQUIPMENT - ACQ ADJ	TRANPIS	(152,537)	(78,346)	(8,912)	(44,446)	(18,751)	(1,822)	(260)
39 354-TOWERS & FIXTURES - ACQ ADJ	TRANPIS	(9,443)	(4,850)	(552)	(2,751)	(1,161)	(113)	(16)
40 355-POLES & FIXTURES - ACQ ADJ	TRANPIS	(135,224)	(69,453)	(7,901)	(39,401)	(16,623)	(1,616)	(230)
41 356-OVHD COND. & DEVICES - ACQ ADJ	TRANPIS	(84,215)	(43,254)	(4,920)	(24,538)	(10,353)	(1,006)	(143)
42 358-UNDERGROUND DEVICES - ACQ ADJ	TRANPIS	0	0	0	0	0	0	0
43 359-ROADS & TRAILS - ACQ ADJ	TRANPIS	(1,121)	(576)	(66)	(327)	(138)	(13)	(2)
44 TOTAL TRANSMISSION DEPREC EXPENSE		\$1,531,028	\$786,362	\$89,454	\$446,105	\$188,210	\$18,292	\$2,605
45								

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 8 OF 11

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
DEPRECIATION & AMORTIZATION EXPENSE								
1 DISTRIBUTION DEPREC EXPENSE								
2 360-LAND RIGHTS	PLT360	\$1,480	\$833	\$106	\$375	\$135	\$26	\$4
3 361-STRUCTURES & IMPROV	PLT361	175,281	98,663	12,576	44,403	16,036	3,137	465
4 362-STATION EQUIPMENT	PLT362	1,691,289	952,001	121,345	428,448	154,733	30,274	4,488
5 364-POLES, TOWERS & FIXTURES	PLT364	3,293,750	1,854,002	236,317	834,393	301,340	58,957	8,740
6 365-OVERHEAD CONDUCT & DEV	PLT365	2,342,026	1,318,291	168,033	593,297	214,268	41,922	6,215
7 366-UNDERGROUND CONDUIT	PLT366	612,122	351,785	44,840	158,321	57,177	0	0
8 367-UNDERGROUND COND & DEV	PLT367	1,846,348	946,151	120,599	425,815	153,783	0	0
9 368-LINE TRANSFORMERS	PLT368	2,798,122	1,575,021	200,757	708,838	255,996	50,086	7,425
10 369-SERVICES	PLT369	537,690	302,658	38,578	136,211	49,192	9,624	1,427
11 370-METERS	PLT370	255,143	204,365	34,589	15,774	149	267	0
12 371-INSTALLATIONS CUST PREM	PLT371	0	0	0	0	0	0	0
13 373-STRT LGHT & SIGNAL SYS	PLT373	162,199	0	0	0	0	0	162,199
14 360-LAND RIGHTS - ACQ ADJ	PLT360	(477)	(269)	(34)	(121)	(44)	(9)	(1)
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT361	(40,378)	(22,728)	(2,897)	(10,229)	(3,694)	(723)	(107)
16 362-STATION EQUIPMENT - ACQ ADJ	PLT362	(358,189)	(201,619)	(25,699)	(90,739)	(32,770)	(6,411)	(950)
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT364	(799,568)	(450,065)	(57,367)	(202,552)	(73,151)	(14,312)	(2,122)
18 365-OVERHEAD COND & DEV - ACQ ADJ	PLT365	(482,646)	(271,674)	(34,628)	(122,267)	(44,157)	(8,639)	(1,281)
19 366-UNDERGRND CONDUIT - ACQ ADJ	PLT366	(152,216)	(87,478)	(11,150)	(39,370)	(14,218)	0	0
20 367-UNDERGR COND & DEV - ACQ ADJ	PLT367	(225,545)	(129,620)	(16,522)	(58,335)	(21,068)	0	0
21 368-LINE TRANSFORMERS - ACQ ADJ	PLT368	(431,512)	(242,892)	(30,960)	(109,313)	(39,478)	(7,724)	(1,145)
22 369-SERVICES - ACQ ADJ	PLT369	(134,150)	(75,511)	(9,625)	(33,984)	(12,273)	(2,401)	(356)
23 370-METERS - ACQ ADJ	PLT370	(81,914)	(65,612)	(11,105)	(5,064)	(48)	(86)	0
24 373-ST LGHT & SIGNAL SYS - ACQ ADJ	PLT373	(43,073)	0	0	0	0	0	(43,073)
25 TOTAL DISTRIBUTION DEPREC EXPENSE		\$10,765,782	\$6,056,302	\$777,753	\$2,673,901	\$961,910	\$153,988	\$141,927

ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED							
1 GENERAL DEPREC EXPENSE							
2 389-LAND & LAND RIGHTS	GENLPS	\$0	\$0	\$0	\$0	\$0	\$0
3 390-STRUCT & IMPROVE	GENLPS	\$45,127	\$6,154	\$16,688	\$6,256	\$855	\$1,559
4 391-OFFICE FURN & EQUIP	GENLPS	\$250,935	\$34,221	\$92,794	\$34,786	\$4,753	\$8,689
5 392-TRANSP EQUIP	GENLPS	(\$40,244)	(\$5,488)	(\$14,882)	(\$5,579)	(\$762)	(\$1,390)
6 393-STORES EQUIPMENT	GENLPS	1,657	\$133	\$361	\$135	\$18	\$34
7 394-TOOLS, SHOP, & GAR EQ	GENLPS	\$49,621	\$6,767	\$18,350	\$6,879	\$940	\$1,714
8 395-LABORATORY EQUIP	GENLPS	\$19,760	\$2,695	\$7,307	\$2,739	\$374	\$683
9 396-POWER OPER EQUIP	GENLPS	\$57,284	\$7,812	\$21,183	\$7,941	\$1,085	\$1,979
10 397-COMMUNICATION EQUIP	GENLPS	\$10,242	\$1,397	\$3,787	\$1,420	\$194	\$354
11 398-MISCELLANEOUS EQUIP	GENLPS	\$4,819	\$657	\$1,782	\$668	\$91	\$166
12 389-LAND & LAND RIGHTS - ACQ ADJ	GENLPS	0	\$0	\$0	\$0	\$0	\$0
13 390-STRUCT & IMPROVE - ACQ ADJ	GENLPS	(\$14,725)	(\$1,182)	(\$3,206)	(\$1,202)	(\$164)	(\$300)
14 391-OFFICE FURN & EQUIP - ACQ ADJ	GENLPS	(\$130,566)	(\$10,484)	(\$28,430)	(\$10,658)	(\$1,456)	(\$2,656)
15 392-TRANSP EQUIP - ACQ ADJ	GENLPS	0	\$0	\$0	\$0	\$0	\$0
16 393-STORES EQUIPMENT - ACQ ADJ	GENLPS	(979)	(\$79)	(\$213)	(\$80)	(\$11)	(\$20)
17 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	GENLPS	(23,740)	(\$1,906)	(\$5,169)	(\$1,938)	(\$265)	(\$483)
18 395-LABORATORY EQUIP - ACQ ADJ	GENLPS	(7,528)	(\$4,433)	(\$1,639)	(\$615)	(\$84)	(\$153)
19 396-POWER OPER EQUIP - ACQ ADJ	GENLPS	(7,895)	(\$634)	(\$1,719)	(\$644)	(\$88)	(\$161)
20 397-COMMUNICATION EQUIP - ACQ ADJ	GENLPS	(15,968)	(\$1,282)	(\$3,477)	(\$1,303)	(\$178)	(\$325)
21 398-MISCELLANEOUS EQUIP - ACQ ADJ	GENLPS	(1,027)	(\$82)	(\$224)	(\$84)	(\$11)	(\$21)
22 TOTAL GENERAL DEPREC EXPENSE		\$474,371	\$38,092	\$103,292	\$38,722	\$5,290	\$9,650
23							
24 TOTAL DEPREC & AMORT EXPENSE		\$7,914,678	\$1,002,437	\$3,613,222	\$1,340,498	\$197,152	\$167,235
25							
26							

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
27 TAXES OTHER THAN INCOME TAXES								
28								
29 TAXES OTHER THAN INCOME TAXES								
30 PRODUCTION PROPERTY TAX	PRODPIS	\$198,106	\$101,751	\$11,575	\$57,723	\$24,353	\$2,367	\$337
31 TRANSMISSION PROPERTY TAX	TRANPIS	437,531	\$224,723	\$25,564	\$127,486	\$53,786	\$5,227	\$745
32 DISTRIBUTION PROPERTY TAX	DISTPIS	2,500,847	\$1,406,967	\$180,991	\$618,438	\$222,273	\$36,164	\$36,014
33 GENERAL PROPERTY TAX	TOTPIS	171,505	\$95,057	\$12,008	\$43,658	\$16,317	\$2,373	\$2,093
34 PAYROLL TAX	LABXAG	445,648	\$265,904	\$36,816	\$93,436	\$34,796	\$4,790	\$9,905
35 MEDICAL AND DENTAL	LABXAG	5,173	\$3,087	\$427	\$1,085	\$404	\$56	\$115
36 REGULATORY & OTHER	LABXAG	78,240	\$46,683	\$6,464	\$16,404	\$6,109	\$841	\$1,739
37 TOTAL TAXES OTHER THAN INCOME		\$3,837,049	\$2,144,172	\$273,845	\$958,230	\$358,038	\$51,819	\$50,947
38								
39								
40 TOTAL EXPENSES BEFORE INCOME TAX		\$148,801,451	\$76,977,672	\$9,353,093	\$40,756,762	\$18,147,604	\$2,557,758	\$1,008,562
41								
42 OPERATING INCOME BEFORE INCOME TAX		\$12,124,615	\$4,734,320	\$1,400,615	\$7,658,365	(\$1,155,148)	(\$69,104)	(\$444,433)
43								
44								
45								

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
DEVELOPMENT OF INCOME TAXES								
1 TOTAL OPERATING REVENUES		160,926,066	81,711,991	10,753,709	48,415,127	16,992,456	2,488,654	564,129
2								
3 LESS:								
4 OPERATION & MAINT EXPENSE		130,729,179	66,918,822	8,076,812	36,185,311	16,449,069	2,308,787	790,379
5 DEPREC & AMORT EXPENSE		0	0	0	0	0	0	0
6 TAXES OTHER THAN INCOME		3,837,049	2,144,172	273,845	958,230	358,038	51,819	50,947
7								
8 OPERATING INCOME BEFORE TAXES		26,359,837	12,648,998	2,403,052	11,271,586	185,350	128,048	(277,197)
9								
10 LESS:								
11 INTEREST		0	0	0	0	0	0	0
12								
13 STATE TAXABLE INCOME		26,359,837	12,648,998	2,403,052	11,271,586	185,350	128,048	(277,197)
14 TOTAL STATE INCOME TAX		0	0	0	0	0	0	0
15								
16								
17 FEDERAL TAXABLE INCOME		26,359,837	12,648,998	2,403,052	11,271,586	185,350	128,048	(277,197)
18								
19 STATE AND FEDERAL INCOME TAX		0	0	0	0	0	0	0
20 INC TAX		2,121,267	1,175,714	148,521	539,980	201,815	29,355	25,882
21 DEF INC TAX		0	0	0	0	0	0	0
22								
23								
24								
25 TOTAL INCOME TAXES		2,121,267	1,175,714	148,521	539,980	201,815	29,355	25,882
26								
27								
28 TOTAL OPERATING EXPENSES		150,922,718	78,153,386	9,501,614	41,296,742	18,349,420	2,587,113	1,034,443
29								
30 TOTAL NET INCOME		10,003,348	3,558,606	1,252,094	7,118,385	(1,356,964)	(98,459)	(470,314)
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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
DEVELOPMENT OF RATE BASE							
ELECTRIC PLANT IN SERVICE							
1 INTANGIBLE PLANT							
2 302-FRANCHISES & CONSENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 303-MISCELLANEOUS INTANG PLT	8,741,931	8,279,376	0	462,555	0	476,596	0
4 302-FRANCH & CONSENTS - ACQ ADJ	(5,817)	(5,509)	0	(308)	0	(317)	0
5 303-MISC INTANGIBLE PLT - ACQ ADJ	(2,187,601)	(2,071,851)	0	(115,751)	0	(119,264)	0
6 TOTAL INTANGIBLE PLANT	\$6,548,513	\$6,202,017	\$0	\$346,496	\$0	\$357,014	\$0
7							
8							
OTHER PRODUCTION PLANT							
9 TOTAL OTHER PRODUCTION PLANT							
10 340-LAND & LAND RIGHTS	\$205,436	\$205,436	\$0	\$0	\$0	\$205,436	\$0
11 341-STRUCTURES & IMPROVE	2,795,305	2,795,305	0	0	0	2,795,305	0
12 342-FUEL HOLDERS, PROD, & ACC	1,029,487	1,029,487	0	0	0	1,029,487	0
13 343-PRIME MOVERS	17,612,927	17,612,927	0	0	0	17,612,927	0
14 344-GENERATORS	7,678,010	7,678,010	0	0	0	7,678,010	0
15 345-ACCESSORY ELECT EQUIP	4,011,125	4,011,125	0	0	0	4,011,125	0
16 346-MISC POWER PLANT EQUIP	1,523,584	1,523,584	0	0	0	1,523,584	0
17 340-LAND & LAND RIGHTS - ACQ ADJ	(379,032)	(379,032)	0	0	0	(379,032)	0
18 341-STRUCT & IMPROVE - ACQ ADJ	(180,283)	(180,283)	0	0	0	(180,283)	0
19 342-FUEL HLD, PROD, & ACC - ACQ ADJ	(300,582)	(300,582)	0	0	0	(300,582)	0
20 343-PRIME MOVERS - ACQ ADJ	(3,870,528)	(3,870,528)	0	0	0	(3,870,528)	0
21 344-GENERATORS - ACQ ADJ	(1,222,549)	(1,222,549)	0	0	0	(1,222,549)	0
22 345-ACCESS ELECT EQUIP - ACQ ADJ	(949,529)	(949,529)	0	0	0	(949,529)	0
23 346-MISC POWER PLT EQUIP - ACQ ADJ	(235,301)	(235,301)	0	0	0	(235,301)	0
24 TOTAL OTHER PRODUCTION PLANT	27,718,071	27,718,071	0	0	0	27,718,071	0
25 TOTAL PRODUCTION PLANT	\$27,718,071	\$27,718,071	\$0	\$0	\$0	\$27,718,071	\$0
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ELECTRIC PLANT IN SERVICE

[illegible]

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
ELECTRIC PLANT IN SERVICE CONTINUED							
1 TRANSMISSION PLANT							
2 350-LAND	\$1,431,088	\$1,431,088	\$0	\$0	\$0	\$0	\$0
3 352-STRUCTURES & IMPROVE	660,559	660,559	0	0	0	0	0
4 353-STATION EQUIPMENT	31,020,717	31,020,717	0	0	0	0	0
5 354-TOWERS & FIXTURES	1,319,681	1,319,681	0	0	0	0	0
6 355-POLES & FIXTURES	29,873,421	29,873,421	0	0	0	0	0
7 356-OVHD COND. & DEVICES	27,366,793	27,366,793	0	0	0	0	0
8 358-UNDERGROUND CONDUCTORS & DEVICES	32,861	32,861	0	0	0	0	0
9 359-ROADS & TRAILS	379,610	379,610	0	0	0	0	0
10 360-LAND - ACQ ADJ	(631,356)	(631,356)	0	0	0	0	0
11 352-STRUCT & IMPROVE - ACQ ADJ	(39,618)	(39,618)	0	0	0	0	0
12 353-STATION EQUIPMENT - ACQ ADJ	(7,636,820)	(7,636,820)	0	0	0	0	0
13 354-TOWERS & FIXTURES - ACQ ADJ	(422,919)	(422,919)	0	0	0	0	0
14 355-POLES & FIXTURES - ACQ ADJ	(3,225,104)	(3,225,104)	0	0	0	0	0
15 356-OVHD COND. & DEVICES - ACQ ADJ	(5,494,105)	(5,494,105)	0	0	0	0	0
16 359-ROADS & TRAILS - ACQ ADJ	(110,880)	(110,880)	0	0	0	0	0
17 TOTAL TRANSMISSION PLANT	\$74,523,928	\$74,523,928	\$0	\$0	\$0	\$0	\$0
18 DISTRIBUTION PLANT							
19 360-LAND & LAND RIGHTS	\$1,354,701	\$1,354,701	\$0	\$0	\$0	\$0	\$0
20 361-STRUCTURES & IMPROV	7,100,486	7,100,486	0	0	0	0	0
21 362-STATION EQUIPMENT	60,306,987	60,306,987	0	0	0	0	0
22 364-POLES, TOWERS & FIXTURES	117,897,983	117,897,983	0	0	0	0	0
23 365-OVERHEAD CONDUCT & DEV	95,499,476	95,499,476	0	0	0	0	0
24 366-UNDERGROUND CONDUIT	19,991,384	19,991,384	0	0	0	0	0
25 367-UNDERGROUND CONDUCTORS	55,428,668	55,428,668	0	0	0	0	0
26 368-LINE TRANSFORMERS	95,508,942	95,508,942	0	0	0	0	0
27 369-SERVICES	17,960,238	17,960,238	0	17,960,238	0	0	0
28 370-METERS	10,899,944	10,899,944	0	10,899,944	0	0	0
29 371-INSTALLATIONS CUST PREM	0	0	0	0	0	0	0
30 373-STREET LTG & SIGNAL SYS	6,304,998	6,304,998	0	6,304,998	0	0	0
31 360-LAND & LAND RIGHTS - ACQ ADJ	(577,074)	(577,074)	0	0	0	0	0
32 361-STRUCTURES & IMPROVE - ACQ ADJ	(1,515,959)	(1,515,959)	0	0	0	0	0
33 362-STATION EQUIPMENT - ACQ ADJ	(10,619,807)	(10,619,807)	0	0	0	0	0
34 364-POLES, TOWERS & FIXT - ACQ ADJ	(23,602,225)	(23,602,225)	0	0	0	0	0
35 365-OVERHEAD COND & DEV - ACQ ADJ	(15,967,886)	(15,967,886)	0	0	0	0	0
36 366-UNDERGRND CONDUIT - ACQ ADJ	(4,228,884)	(4,228,884)	0	0	0	0	0
37 367-UNDERGRND CONDUCT - ACQ ADJ	(5,695,660)	(5,695,660)	0	0	0	0	0
38 368-LINE TRANSFORMERS - ACQ ADJ	(11,607,603)	(11,607,603)	0	0	0	0	0
39 369-SERVICES - ACQ ADJ	(4,069,080)	(4,069,080)	0	(4,069,080)	0	0	0
40 370-METERS - ACQ ADJ	(2,869,304)	(2,869,304)	0	(2,869,304)	0	0	0
41 373-ST LTG & SIGNAL SYS - ACQ ADJ	(1,325,336)	(1,325,336)	0	(1,325,336)	0	0	0
42 TOTAL DISTRIBUTION PLANT	\$406,174,990	\$379,273,529	\$0	\$26,901,461	\$0	\$0	\$0
43							
44 TOTAL PROD, TRANS, & DIST PLT	\$508,416,989	\$481,515,529	\$0	\$26,901,461	\$0	\$27,718,071	\$0

		CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
ELECTRIC PLANT IN SERVICE CONTINUED										
1	TRANSMISSION PLANT									
2	350-LAND	\$1,431,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	352-STRUCTURES & IMPROVE	660,559	0	0	0	0	0	0	0	0
4	353-STATION EQUIPMENT	31,020,717	0	0	0	0	0	0	0	0
5	354-TOWERS & FIXTURES	1,319,681	0	0	0	0	0	0	0	0
6	355-POLES & FIXTURES	29,873,421	0	0	0	0	0	0	0	0
7	356-OVHD COND. & DEVICES	27,366,793	0	0	0	0	0	0	0	0
8	358-UNDERGROUND CONDUCTORS & DEVICES	32,861	0	0	0	0	0	0	0	0
9	359-ROADS & TRAILS	379,610	0	0	0	0	0	0	0	0
10	360-LAND - ACQ ADJ	(631,356)	0	0	0	0	0	0	0	0
11	362-STRUCT & IMPROVE - ACQ ADJ	(39,618)	0	0	0	0	0	0	0	0
12	363-STATION EQUIPMENT - ACQ ADJ	(7,636,820)	0	0	0	0	0	0	0	0
13	364-TOWERS & FIXTURES - ACQ ADJ	(422,919)	0	0	0	0	0	0	0	0
14	365-POLES & FIXTURES - ACQ ADJ	(3,225,104)	0	0	0	0	0	0	0	0
15	366-OVHD COND. & DEVICES - ACQ ADJ	(5,494,105)	0	0	0	0	0	0	0	0
16	369-ROADS & TRAILS - ACQ ADJ	(110,880)	0	0	0	0	0	0	0	0
17	TOTAL TRANSMISSION PLANT	\$74,523,928	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	DISTRIBUTION PLANT									
19	360-LAND & LAND RIGHTS	\$0	\$1,354,701	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	361-STRUCTURES & IMPROV	0	7,100,486	0	0	0	0	0	0	0
21	362-STATION EQUIPMENT	0	60,306,987	0	0	0	0	0	0	0
22	364-POLES, TOWERS & FIXTURES	0	117,897,983	0	0	0	0	0	0	0
23	365-OVERHEAD CONDUCT & DEV	0	95,499,476	0	0	0	0	0	0	0
24	366-UNDERGROUND CONDUIT	0	0	19,991,384	0	0	0	0	0	0
25	367-UNDERGROUND CONDUCTORS	0	0	55,428,668	0	0	0	0	0	0
26	368-LINE TRANSFORMERS	0	95,508,942	0	0	0	0	0	0	0
27	369-SERVICES	0	0	0	17,960,238	0	0	0	0	0
28	370-METERS	0	0	0	0	10,899,944	0	0	0	0
29	371-INSTALLATIONS CUST PREM	0	0	0	0	0	0	0	0	0
30	373-STREET LTG & SIGNAL SYS	0	0	0	0	0	0	0	0	6,304,998
31	360-LAND & LAND RIGHTS - ACQ ADJ	0	(577,074)	0	0	0	0	0	0	0
32	361-STRUCTURES & IMPROVE - ACQ ADJ	0	(1,515,959)	0	0	0	0	0	0	0
33	362-STATION EQUIPMENT - ACQ ADJ	0	(10,619,807)	0	0	0	0	0	0	0
34	364-POLES, TOWERS & FIXT - ACQ ADJ	0	(23,602,225)	0	0	0	0	0	0	0
35	365-OVERHEAD COND & DEV - ACQ ADJ	0	(15,967,886)	0	0	0	0	0	0	0
36	366-UNDERGRND CONDUIT - ACQ ADJ	0	0	(4,228,884)	0	0	0	0	0	0
37	367-UNDERGRND CONDUCT - ACQ ADJ	0	0	(5,695,660)	0	0	0	0	0	0
38	368-LINE TRANSFORMERS - ACQ ADJ	0	(11,607,603)	0	0	0	0	0	0	0
39	369-SERVICES - ACQ ADJ	0	0	0	(4,069,080)	0	0	0	0	0
40	370-METERS - ACQ ADJ	0	0	0	0	(2,869,304)	0	0	0	0
41	373-ST LTG & SIGNAL SYS - ACQ ADJ	0	0	0	0	0	0	0	0	(1,325,336)
42	TOTAL DISTRIBUTION PLANT	\$0	\$313,778,021	\$65,495,508	\$13,891,158	\$8,030,640	\$0	\$0	\$0	\$4,979,662
43										
44	TOTAL PROD, TRANS, & DIST PLT	\$74,523,928	\$313,778,021	\$65,495,508	\$13,891,158	\$8,030,640	\$0	\$0	\$0	\$4,979,662

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 GENERAL PLANT							
2 389-LAND & LAND RIGHTS LABOR	\$45,767	\$35,150	\$0	\$10,617	\$1,181	\$3,248	\$0
3 390-STRUCTURES & IMPROVEMENTS LABOR	3,852,233	2,958,598	0	893,635	99,367	273,397	0
4 391-OFFICE FURNITURE & EQUIP LABOR	2,552,511	1,960,383	0	592,127	65,841	181,154	0
5 392-TRANSPORTATION EQUIP LABOR	9,645,647	7,408,065	0	2,237,582	248,806	684,562	0
6 393-STORES EQUIPMENT LABOR	109,831	84,353	0	25,478	2,833	7,795	0
7 394-TOOLS, SHOP, & GARAGE EQUIP LABOR	3,258,333	2,502,470	0	755,863	84,047	231,247	0
8 395-LABORATORY EQUIPMENT LABOR	1,428,110	1,096,819	0	331,291	36,838	101,355	0
9 396-POWER OPERATED EQUIP LABOR	2,058,023	1,580,606	0	477,417	53,086	146,060	0
10 397-COMMUNICATION EQUIPMENT LABOR	2,186,070	1,678,949	0	507,121	56,389	155,148	0
11 398-MISCELLANEOUS EQUIPMENT LABOR	166,294	127,717	0	38,577	4,289	11,802	0
12 399-OTHER TANGIBLE PROPERTY LABOR	0	0	0	0	0	0	0
13 389-LAND & LAND RIGHTS - ACQ ADJ LABOR	(28,497)	(21,886)	0	(6,611)	(735)	(2,022)	0
14 390-STRUCTURES & IMPROV - ACQ ADJ LABOR	(681,411)	(523,338)	0	(158,073)	(17,577)	(48,360)	0
15 391-OFFICE FURNITURE & EQ - ACQ ADJ LABOR	(628,090)	(482,386)	0	(145,703)	(16,201)	(44,576)	0
16 392-TRANSPORTATION EQUIP - ACQ ADJ LABOR	116,146	89,203	0	26,943	2,996	8,243	0
17 393-STORES EQUIPMENT - ACQ ADJ LABOR	(44,769)	(34,384)	0	(10,386)	(1,155)	(3,177)	0
18 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ LABOR	(825,457)	(633,969)	0	(191,488)	(21,292)	(58,584)	0
19 395-LABORATORY EQUIP - ACQ ADJ LABOR	(300,794)	(231,017)	0	(69,778)	(7,759)	(21,348)	0
20 396-POWER OPER EQUIP - ACQ ADJ LABOR	(144,474)	(110,959)	0	(33,515)	(3,727)	(10,253)	0
21 397-COMMUNICATION EQUIP - ACQ ADJ LABOR	(344,154)	(264,318)	0	(79,836)	(8,877)	(24,425)	0
22 398-MISCELLANEOUS EQUIP - ACQ ADJ LABOR	(18,831)	(14,463)	0	(4,368)	(486)	(1,336)	0
23 TOTAL GENERAL PLANT	\$22,402,487	\$17,205,593	\$0	\$5,196,894	\$577,863	\$1,589,929	\$0
24							
25 COMMON PLANT							
26	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27							
28							
29 TOTAL PLANT IN SERVICE	\$537,367,989	\$504,923,139	\$0	\$32,444,851	\$577,863	\$29,665,014	\$0
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	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
ELECTRIC PLANT IN SERVICE CONTINUED									
1 GENERAL PLANT									
2 389-LAND & LAND RIGHTS LABOR	\$3,424	\$22,013	\$5,285	\$745	\$2,919	\$359	\$4,858	\$873	\$863
3 390-STRUCTURES & IMPROVEMENTS LABOR	288,200	1,852,824	444,810	62,685	245,713	30,193	408,906	73,494	72,644
4 391-OFFICE FURNITURE & EQUIP LABOR	190,963	1,227,691	294,734	41,535	162,811	20,006	270,943	48,134	48,697
5 392-TRANSPORTATION EQUIP LABOR	721,627	4,639,305	1,113,765	156,957	615,243	75,601	1,023,864	184,022	181,894
6 393-STORES EQUIPMENT LABOR	8,217	52,826	12,682	1,787	7,006	861	11,658	2,095	2,071
7 394-TOOLS, SHOP, & GARAGE EQUIP LABOR	243,768	1,567,173	376,234	53,021	207,831	25,538	345,865	62,163	61,444
8 395-LABORATORY EQUIPMENT LABOR	106,842	686,884	164,901	23,239	91,091	11,193	151,591	27,246	26,931
9 396-POWER OPERATED EQUIP LABOR	153,969	989,856	237,636	33,489	131,270	16,131	218,455	39,263	38,809
10 397-COMMUNICATION EQUIPMENT LABOR	163,548	1,051,443	252,421	35,573	139,437	17,134	232,047	41,706	41,224
11 398-MISCELLANEOUS EQUIPMENT LABOR	12,441	79,983	19,202	2,706	10,607	1,303	17,652	3,173	3,136
12 399-OTHER TANGIBLE PROPERTY LABOR	0	0	0	0	0	0	0	0	0
13 390-LAND & LAND RIGHTS - ACQ ADJ LABOR	(2,132)	(13,706)	(3,290)	(464)	(1,818)	(223)	(3,025)	(544)	(537)
14 390-STRUCTURES & IMPROV - ACQ AT LABOR	(50,979)	(327,741)	(78,681)	(11,088)	(43,463)	(5,341)	(72,330)	(13,000)	(12,850)
15 391-OFFICE FURNITURE & EQ - ACQ A LABOR	(46,990)	(302,095)	(72,524)	(10,220)	(40,062)	(4,923)	(66,670)	(11,844)	(11,844)
16 392-TRANSPORTATION EQUIP - ACQ A LABOR	8,689	55,863	13,411	1,890	7,408	910	12,329	2,216	2,190
17 393-STORES EQUIPMENT - ACQ ADJ LABOR	(3,349)	(21,533)	(5,169)	(729)	(2,856)	(351)	(4,752)	(854)	(844)
18 394-TOOLS, SHOP, & GAR EQ - ACQ AT LABOR	(61,756)	(397,023)	(95,314)	(13,432)	(52,651)	(6,470)	(87,620)	(15,748)	(15,566)
19 395-LABORATORY EQUIP - ACQ ADJ LABOR	(22,504)	(144,674)	(34,732)	(4,895)	(19,186)	(2,358)	(31,929)	(5,739)	(5,672)
20 396-POWER OPER EQUIP - ACQ ADJ LABOR	(10,809)	(69,488)	(16,682)	(2,351)	(9,215)	(1,132)	(15,336)	(2,756)	(2,724)
21 397-COMMUNICATION EQUIP - ACQ AT LABOR	(25,747)	(165,529)	(39,739)	(5,600)	(21,952)	(2,697)	(36,531)	(6,566)	(6,490)
22 398-MISCELLANEOUS EQUIP - ACQ AT LABOR	(1,409)	(9,057)	(2,174)	(306)	(1,201)	(148)	(1,999)	(359)	(355)
23 TOTAL GENERAL PLANT	\$1,676,015	\$10,775,013	\$2,586,773	\$364,541	\$1,428,932	\$175,588	\$2,377,975	\$427,399	\$422,458
COMMON PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PLANT IN SERVICE	\$77,159,826	\$328,594,559	\$68,925,876	\$14,434,620	\$9,563,009	\$175,588	\$2,377,975	\$427,399	\$5,466,259

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 LESS: RESERVE FOR DEPRECIATION							
2							
3 INTANGIBLE PLANT RESERVE							
4 302-FRANCH & CONSENTS		\$0	\$0	\$0	\$0	\$0	\$0
5 303-MISC. INTANG PLT	2,877,462	2,725,209	0	152,253	0	156,875	0
6 302-FRANCH & CONSENTS - ACQ ADJ	(135)	(128)	0	(7)	0	(7)	0
7 303-MISC. INTANG PLT - ACQ ADJ	(346,772)	(328,424)	0	(18,348)	0	(18,905)	0
8 TOTAL INTANGIBLE PLANT RESERVE	\$2,530,555	\$2,396,657	\$0	\$133,897	\$0	\$137,962	\$0
9							
10 PRODUCTION PLANT RESERVE							
11 340-LAND & LAND RIGHTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE	457,715	457,715	0	0	0	457,715	0
13 342-FUEL HLD, PROD, & ACC	210,915	210,915	0	0	0	210,915	0
14 343-PRIME MOVERS	5,051,791	5,051,791	0	0	0	5,051,791	0
15 344-GENERATORS	652,862	652,862	0	0	0	652,862	0
16 345-ACCESSORY ELECT EQ	1,089,296	1,089,296	0	0	0	1,089,296	0
17 346-MISC POWER PLT EQUIP	152,170	152,170	0	0	0	152,170	0
18 340-LAND & LAND RIGHTS - ACQ ADJ	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ	(14,139)	(14,139)	0	0	0	(14,139)	0
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ	(39,375)	(39,375)	0	0	0	(39,375)	0
21 343-PRIME MOVERS - ACQ ADJ	(492,580)	(492,580)	0	0	0	(492,580)	0
22 344-GENERATORS - ACQ ADJ	(55,998)	(55,998)	0	0	0	(55,998)	0
23 345-ACCESSORY ELECT EQ - ACQ ADJ	(113,453)	(113,453)	0	0	0	(113,453)	0
24 346-MISC POWER PLT EQUIP - ACQ ADJ	(24,779)	(24,779)	0	0	0	(24,779)	0
25 TOTAL PRODUCTION PLANT RESERVE	\$6,874,425	\$6,874,425	\$0	\$0	\$0	\$6,874,425	\$0
26							
27 TRANSMISSION PLANT RESERVE							
28 350-LAND	\$130,588	\$130,588	\$0	\$0	\$0	\$0	\$0
29 352-STRUCTURES & IMPROV.	243,686	243,686	0	0	0	0	0
30 353-STATION EQUIPMENT	11,840,743	11,840,743	0	0	0	0	0
31 354-TOWERS & FIXTURES	432,787	432,787	0	0	0	0	0
32 355-POLES & FIXTURES	13,216,631	13,216,631	0	0	0	0	0
33 356-OVHD COND. & DEVICES	9,601,308	9,601,308	0	0	0	0	0
34 358-UNDERGROUND CONDUCTORS & TRAILS	3,005	3,005	0	0	0	0	0
35 359-ROADS & TRAILS	133,202	133,202	0	0	0	0	0
36 350-LAND - ACQ ADJ	(2,015)	(2,015)	0	0	0	0	0
37 352-STRUCTURES & IMPROV - ACQ ADJ	(7,905)	(7,905)	0	0	0	0	0
38 353-STATION EQUIPMENT - ACQ ADJ	(1,212,474)	(1,212,474)	0	0	0	0	0
39 354-TOWERS & FIXTURES - ACQ ADJ	(100,145)	(100,145)	0	0	0	0	0
40 355-POLES & FIXTURES - ACQ ADJ	(978,985)	(978,985)	0	0	0	0	0
41 356-OVHD COND. & DEVICES - ACQ ADJ	(801,106)	(801,106)	0	0	0	0	0
42 TOTAL TRANSMISSION PLANT RESERVE	\$32,487,299	\$32,487,299	\$0	\$0	\$0	\$0	\$0

45

ELECTRIC PLANT IN SERVICE CONTINUED

1 LESS: RESERVE FOR DEPRECIATION

2
 3 INTANGIBLE PLANT RESERVE
 4 302-FRANCH & CONSENTS PISXGENL
 5 303-MISC. INTANG PLT PISXGENL
 6 302-FRANCH & CONSENTS - ACQ ADJ PISXGENL
 7 303-MISC. INTANG PLT - ACQ ADJ PISXGENL
 8 TOTAL INTANGIBLE PLANT RESERVE

9
 10 PRODUCTION PLANT RESERVE
 11 340-LAND & LAND RIGHTS PRODPIS
 12 341-STRUCT & IMPROVE PRODPIS
 13 342-FUEL HLD, PROD, & ACC PRODPIS
 14 343-PRIME MOVERS PRODPIS
 15 344-GENERATORS PRODPIS
 16 345-ACCESSORY ELECT EQ PRODPIS
 17 346-MISC POWER PLT EQUIP PRODPIS
 18 340-LAND & LAND RIGHTS - ACQ ADJ PRODPIS
 19 341-STRUCT & IMPROVE - ACQ ADJ PRODPIS
 20 342-FUEL HLD, PROD, & ACC - ACQ ADJ PRODPIS
 21 343-PRIME MOVERS - ACQ ADJ PRODPIS
 22 344-GENERATORS - ACQ ADJ PRODPIS
 23 345-ACCESSORY ELECT EQ - ACQ ADJ PRODPIS
 24 346-MISC POWER PLT EQUIP - ACQ ADJ PRODPIS
 25 TOTAL PRODUCTION PLANT RESERVE

26
 27 TRANSMISSION PLANT RESERVE
 28 350-LAND TRANPIS
 29 352-STRUCTURES & IMPROV. TRANPIS
 30 353-STATION EQUIPMENT TRANPIS
 31 354-TOWERS & FIXTURES TRANPIS
 32 355-POLES & FIXTURES TRANPIS
 33 356-OVHD COND. & DEVICES TRANPIS
 34 358-UNDERGROUND CONDUCTORS & TRANPIS
 35 359-ROADS & TRAILS TRANPIS
 36 350-LAND - ACQ ADJ TRANPIS
 37 352-STRUCTURES & IMPROV. - ACQ ADJ TRANPIS
 38 353-STATION EQUIPMENT - ACQ ADJ TRANPIS
 39 354-TOWERS & FIXTURES - ACQ ADJ TRANPIS
 40 355-POLES & FIXTURES - ACQ ADJ TRANPIS
 41 356-OVHD COND. & DEVICES - ACQ ADJ TRANPIS
 42 359-ROADS & TRAILS - ACQ ADJ TRANPIS
 43 TOTAL TRANSMISSION PLANT RESERVE

CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
421,779	1,775,874	370,682	78,619	45,451	0	0	0	28,183
(20)	(84)	(17)	(4)	(2)	0	0	0	(1)
(50,830)	(214,016)	(44,672)	(9,475)	(5,477)	0	0	0	(3,396)
\$370,930	\$1,561,774	\$325,992	\$69,141	\$39,971	\$0	\$0	\$0	\$24,785
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$130,588	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
243,686	0	0	0	0	0	0	0	0
11,840,743	0	0	0	0	0	0	0	0
432,787	0	0	0	0	0	0	0	0
13,216,631	0	0	0	0	0	0	0	0
9,601,308	0	0	0	0	0	0	0	0
3,005	0	0	0	0	0	0	0	0
133,202	0	0	0	0	0	0	0	0
(2,015)	0	0	0	0	0	0	0	0
(7,905)	0	0	0	0	0	0	0	0
(1,212,474)	0	0	0	0	0	0	0	0
(100,145)	0	0	0	0	0	0	0	0
(978,985)	0	0	0	0	0	0	0	0
(801,106)	0	0	0	0	0	0	0	0
(12,022)	0	0	0	0	0	0	0	0
\$32,487,299	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
ELECTRIC PLANT IN SERVICE CONTINUED							
1 DISTRIBUTION PLANT RESERVE							
2 360-LAND & LAND RIGHTS	PLT360	\$39,431	\$0	\$0	\$0	\$0	\$0
3 361-STRUCTURES & IMPROV	PLT361	1,604,690	0	0	0	0	0
4 362-STATION EQUIPMENT	PLT362	29,319,311	0	0	0	0	0
5 364-POLES, TOWERS & FIXTURES	PLT364	64,768,141	0	0	0	0	0
6 365-OVHD CONDUCTORS & DEVICES	PLT365	47,778,302	0	0	0	0	0
7 366-UDGR CONDUCTORS & DEVICES	PLT366	7,432,398	0	0	0	0	0
8 367-UDGR CONDUIT	PLT367	19,653,085	0	0	0	0	0
9 368-LINE TRANSFORMER	PLT368	41,461,410	0	0	0	0	0
10 369-SERVICE DROP	PLT369	8,211,453	0	8,211,453	0	0	0
11 370-METERS	PLT370	2,120,609	0	2,120,609	0	0	0
12 371-INSTAL. ON CUST. PREMISE	PLT371	0	0	0	0	0	0
13 373-STREET LIGHTS	PLT373	2,621,600	0	2,621,600	0	0	0
14 360-LAND & LAND RIGHTS - ACQ ADJ	PLT360	(507)	0	0	0	0	0
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT361	(259,412)	0	0	0	0	0
16 362-STATION EQUIPMENT - ACQ ADJ	PLT362	(2,714,433)	0	0	0	0	0
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT364	(5,370,117)	0	0	0	0	0
18 365-OVHD COND & DEVICES - ACQ ADJ	PLT365	(3,731,981)	0	0	0	0	0
19 366-UDGR COND & DEVICES - ACQ ADJ	PLT366	(963,713)	0	0	0	0	0
20 367-UDGR CONDUIT - ACQ ADJ	PLT367	(1,613,992)	0	0	0	0	0
21 368-LINE TRANSFORMER - ACQ ADJ	PLT368	(3,064,870)	0	0	0	0	0
22 369-SERVICE DROP - ACQ ADJ	PLT369	(916,869)	0	(916,869)	0	0	0
23 370-METERS - ACQ ADJ	PLT370	(500,406)	0	(500,406)	0	0	0
24 373-STREET LIGHTS - ACQ ADJ	PLT373	(321,166)	0	(321,166)	0	0	0
25 TOTAL DISTRIBUTION PLANT RESV		\$194,337,743	\$0	\$11,215,221	\$0	\$0	\$0
26		\$205,552,964					
27 GENERAL PLANT RESERVE							
28 389-LAND & LAND RIGHTS	GENLPIS	\$0	\$0	\$0	\$0	\$0	\$0
29 390-STRUCT & IMPROVE	GENLPIS	1,062,849	0	246,558	27,416	75,432	0
30 391-OFFICE FURN & EQUIP	GENLPIS	1,767,385	0	409,995	45,589	125,433	0
31 392-TRANSP EQUIP	GENLPIS	3,007,290	0	697,626	77,572	213,431	0
32 393-STORES EQUIPMENT	GENLPIS	98,986	0	22,963	2,553	7,025	0
33 394-TOOLS, SHOP, & GAR EQ	GENLPIS	1,447,195	0	335,718	37,330	102,709	0
34 395-LABORATORY EQUIP	GENLPIS	398,707	0	92,491	10,284	28,297	0
35 396-POWER OPER EQUIP	GENLPIS	853,822	0	198,068	22,024	60,597	0
36 397-COMMUNICATION EQUIP	GENLPIS	632,410	0	146,705	16,313	44,883	0
37 398-MISCELLANEOUS EQUIP	GENLPIS	96,323	0	22,345	2,485	6,836	0
38							
39							
40							
41							
42							
43							

1	DISTRIBUTION PLANT RESERVE	
2	360-LAND & LAND RIGHTS	PLT360
3	361-STRUCTURES & IMPROV	PLT361
4	362-STATION EQUIPMENT	PLT362
5	364-POLES, TOWERS & FIXTURES	PLT364
6	365-OVHD CONDUCTORS & DEVICES	PLT365
7	366-UDGR CONDUCTORS & DEVICES	PLT366
8	367-UDGR CONDUIT	PLT367
9	368-LINE TRANSFORMER	PLT368
0	369-SERVICE DROP	PLT369
1	370-METERS	PLT370
2	371-INSTAL. ON CUST. PREMISE	PLT371
3	373-STREET LIGHTS	PLT373
4	360-LAND & LAND RIGHTS - ACQ ADJ	PLT360
5	361-STRUCTURES & IMPROV - ACQ ADJ	PLT361
6	362-STATION EQUIPMENT - ACQ ADJ	PLT362
7	364-POLES, TOWERS & FIX - ACQ ADJ	PLT364
8	365-OVHD COND & DEVICES - ACQ ADJ	PLT365
9	366-UDGR COND & DEVICES - ACQ ADJ	PLT366
0	367-UDGR CONDUIT - ACQ ADJ	PLT367
1	368-LINE TRANSFORMER - ACQ ADJ	PLT368
2	369-SERVICE DROP - ACQ ADJ	PLT369
3	370-METERS - ACQ ADJ	PLT370
4	373-STREET LIGHTS - ACQ ADJ	PLT373
	TOTAL DISTRIBUTION PLANT RESERVE	

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6	GENERAL PLANT RESERVE	GENPLIS
7		GENPLIS
8	389-LAND & LAND RIGHTS	GENPLIS
9	390-STRUCT & IMPROVE	GENPLIS
0	391-OFFICE FURN & EQUIP	GENPLIS
1	392-TRANSP EQUIP	GENPLIS
2	393-STORES EQUIPMENT	GENPLIS
3	394-TOOLS, SHOP, & GAR EQ	GENPLIS
4	395-LABORATORY EQUIP	GENPLIS
5	396-POWER OPER EQUIP	GENPLIS
6	397-COMMUNICATION EQUIP	GENPLIS
7	398-MISCELLANEOUS EQUIP	GENPLIS

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 GENERAL PLANT RESERVE CONTINUED							
2 389-LAND & LAND RIGHTS - ACQ ADJ GENLPI	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 390-STRUCT & IMPROVE - ACQ ADJ GENLPI	(105,216)	(80,808)	0	(24,406)	(7,467)	0	0
4 391-OFFICE FURN & EQUIP - ACQ ADJ GENLPI	(454,710)	(349,227)	0	(105,483)	(11,729)	0	0
5 392-TRANSP EQUIP - ACQ ADJ GENLPI	187,860	144,280	0	43,579	13,333	0	0
6 393-STORES EQUIPMENT - ACQ ADJ GENLPI	(6,430)	(4,938)	0	(1,492)	(166)	0	0
7 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ GENLPI	(136,469)	(104,811)	0	(31,658)	(3,520)	0	0
8 395-LABORATORY EQUIP - ACQ ADJ GENLPI	(39,240)	(30,137)	0	(9,103)	(1,012)	0	0
9 396-POWER OPER EQUIP - ACQ ADJ GENLPI	(28,962)	(22,243)	0	(6,719)	(747)	0	0
10 397-COMMUNICATION EQUIP - ACQ ADJ GENLPI	(77,071)	(59,192)	0	(17,879)	(1,988)	0	0
11 398-MISCELLANEOUS EQUIP - ACQ ADJ GENLPI	(5,545)	(4,258)	0	(1,286)	(143)	0	0
12 TOTAL GENERAL PLANT RESERVE	\$8,699,184	\$6,681,161	\$0	\$2,018,023	\$224,392	\$617,391	\$0
13							
14 TOTAL RESERVE FOR DEPRECIATION	\$256,144,427	\$242,777,286	\$0	\$13,367,141	\$224,392	\$7,629,778	\$0
15							
16 NET PLANT IN SERVICE	\$281,223,562	\$262,145,853	\$0	\$19,077,710	\$353,471	\$22,035,237	\$0
17							
18							
19 ADDITIONS & DEDUCTIONS TO RATE BASE							
20							
21 DEFERRED TAXES AND TAX CREDITS							
22 PRODUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 TRANSMISSION	0	0	0	0	0	0	0
24 DISTRIBUTION	0	0	0	0	0	0	0
25 GENERAL	(3,012,192)	(2,313,429)	0	(698,764)	(77,598)	(213,779)	0
26 TOTAL DEF. TAXES AND TAX CREDITS	(\$3,012,192)	(\$2,313,429)	\$0	(\$698,764)	(\$77,598)	(\$213,779)	\$0
27							
28 WORKING CAPITAL							
29 CASH WORKING CAPITAL	(\$2,810,346)	(\$2,640,665)	\$0	(\$169,681)	(\$3,022)	(\$155,143)	\$0
30 MATERIALS & SUPPLIES	8,261,763	7,762,940	0	498,823	8,884	456,085	0
31 FUEL RELATED	0	0	0	0	0	0	0
32 PREPAYMENTS	634,351	596,051	0	38,300	682	35,019	0
33 TOTAL CASH WORKING CAPITAL	\$6,085,768	\$5,718,325	\$0	\$367,442	\$6,544	\$335,960	\$0
34 CIAC & AMORT	0	0	0	0	0	0	0
35 CUSTOMER ADVANCES	(15,080,400)	(14,081,607)	0	(998,793)	0	0	0
36 CUSTOMER DEPOSITS	(4,064,671)	(3,819,257)	0	(245,414)	(4,371)	(224,387)	0
37 TOTAL CASH WORKING CAPITAL	(\$13,059,303)	(\$12,182,538)	\$0	(\$876,765)	\$2,173	\$111,573	\$0
38							
39 TOTAL RATE BASE	\$265,152,067	\$247,649,886	\$0	\$17,502,181	\$277,946	\$21,933,031	\$0
40							
41							
42							
43							

[illegible]

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 SALES REVENUES							
2 SALES OF ELECTRICITY	\$159,280,447	39,171,395	109,789,968	7,884,147	(738,465)	1,117,867	(1,217,469)
3 SALES FOR RESALE	(0)	(0)	0	(0)	(0)	(0)	0
4 TOTAL SALES REVENUE	159,280,446	39,171,394	109,789,968	7,884,147	(738,465)	1,117,867	(1,217,469)
5							
6 OTHER OPERATING REVENUES							
7 450-LATE FEES	0	0	0	0	0	0	0
8 451-MISCELLANEOUS SERVICE REV	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716
9 454-RENT FROM ELECT PROPERTY	428,014	105,260	295,025	21,186	(1,984)	3,004	(3,272)
10 456-OTHER ELECTRIC REVENUES	(3,111)	(765)	(2,145)	(154)	14	(22)	24
11 TOTAL OTHER OPERATING REV	1,645,619	1,325,212	1,513,597	1,241,748	1,218,746	1,223,698	1,217,469
12							
13 TOTAL OPERATING REVENUES	\$160,926,066	\$40,496,606	\$111,303,565	\$9,125,895	\$480,281	\$2,341,565	\$0
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OPERATING REVENUES

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
1 SALES REVENUES									
2 SALES OF ELECTRICITY	3,833,270	24,840,416	5,248,432	(159,978)	838,056	(213,843)	3,066,658	(864,514)	(869,575)
3 SALES FOR RESALE	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
4 TOTAL SALES REVENUE	3,833,270	24,840,416	5,248,432	(159,978)	838,056	(213,843)	3,066,658	(864,514)	(869,575)
5									
6 OTHER OPERATING REVENUES									
7 450-LATE FEES	0	0	0	0	0	0	0	0	0
8 451-MISCELLANEOUS SERVICE REV	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716
9 454-RENT FROM ELECT PROPERTY	10,301	66,751	14,103	(430)	2,252	(575)	8,241	(2,323)	(2,337)
10 456-OTHER ELECTRIC REVENUES	(75)	(485)	(103)	3	(16)	4	(60)	17	17
11 TOTAL OTHER OPERATING REV	1,230,942	1,286,982	1,234,717	1,220,290	1,222,952	1,220,146	1,228,897	1,218,410	1,218,397
12									
13 TOTAL OPERATING REVENUES	\$5,064,212	\$26,127,398	\$6,483,150	\$1,060,312	\$2,061,008	\$1,006,303	\$4,295,555	\$353,896	\$348,821
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
OPERATION & MAINTENANCE EXPENSE							
1 POWER PRODUCTION EXPENSE							
2 OTHER POWER GENERATION							
3 OPERATION							
4 546-SUPERVISION & ENGINEERING							
5 547-FUEL	\$10,003	\$10,003	\$0	\$0	\$10,003	\$0	\$0
6 548-GENERATION EXPENSES	7,621,714	0	7,621,714	0	0	0	0
7 549-MISC OTH POWER GEN EXP	37,023	37,023	0	0	0	37,023	0
8 550-RENTS	116,207	116,207	0	0	0	116,207	0
9 550.1-OPER SUPPLIES & EXP	0	0	0	0	0	0	0
10 TOTAL OPERATION EXPENSE	7,784,947	163,233	7,621,714	0	10,003	153,230	0
11 MAINTENANCE							
12 551-SUPERVISION & ENGINEER	0	0	0	0	0	0	0
13 552-STRUCTURES	0	0	0	0	0	0	0
14 553-GENERATING & ELECT PLT	127,265	127,265	0	0	0	127,265	0
15 554-MISC OTH POWER GEN PLT	65,564	65,564	0	0	0	65,564	0
16 BLANK	0	0	0	0	0	0	0
17 TOTAL MAINTENANCE EXPENSE	192,829	192,829	0	0	0	192,829	0
18 TOT OTH POWER GENERATION EXP	\$7,977,777	\$356,063	\$7,621,714	\$0	\$10,003	\$346,059	\$0
19							
20 OTHER POWER SUPPLY EXPENSES							
21 555-PURCHASED POWER							
22 DEMAND CHARGES	0	0	0	0	0	0	0
23 ENERGY CHARGES	95,598,854	0	95,598,854	0	0	0	0
24 ENERGY CHARGES	0	0	0	0	0	0	0
25 OTHER CHARGES	0	0	0	0	0	0	0
26 TOTAL PURCHASED POWER	95,598,854	0	95,598,854	0	0	0	0
27 556-SYS CONTRL & LOAD DISP	3,220	3,220	0	0	3,220	0	0
28 557-OTHER EXPENSES	224,398	224,398	0	0	224,398	0	0
29 TOTAL OTHER POWER SUPPLY EXP	\$95,826,472	\$227,618	\$95,598,854	\$0	\$227,618	\$0	\$0
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40 TOTAL POWER PRODUCTION EXP	\$103,804,248	\$563,681	\$103,220,568	\$0	\$237,621	\$346,059	\$0
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OPERATION & MAINTENANCE EXPENSE

[illegible]

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
OPERATION & MAINTENANCE EXPENSE							
1 TRANSMISSION EXPENSES							
2 OPERATION							
3 560-SUPERVISION & ENGINEER	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 561-LOAD DISPATCHING	6,095	6,095	0	0	0	0	0
5 562-STATION EXPENSES	33,073	33,073	0	0	0	0	0
6 563-OVERHEAD LINE EXPENSES	26,672	26,672	0	0	0	0	0
7 564-UNDERGROUND LINE EXP	15,619	15,619	0	0	0	0	0
8 565-TRANSM ELECT BY OTHERS	8,082,997	0	8,082,997	0	0	0	0
9 566-MISCELLANEOUS TRNSM EXP	100,085	100,085	0	0	0	0	0
10 567-RENTS	27,940	27,940	0	0	0	0	0
11 565-TRANSM ELECT BY OTHERS	0	0	0	0	0	0	0
12 TOTAL OPERATION EXPENSE	8,292,481	209,484	8,082,997	0	0	0	0
13 MAINTENANCE							
14 568-SUPERVISION & ENGINEER	0	0	0	0	0	0	0
15 569-STRUCTURES	0	0	0	0	0	0	0
16 570-STATION EQUIPMENT	22,997	22,997	0	0	0	0	0
17 571-OVERHEAD LINES	37,340	37,340	0	0	0	0	0
18 572-MAINT OF UNDRGRND LINES	23	23	0	0	0	0	0
19 573-MAINT MISC TRANSM PLT	0	0	0	0	0	0	0
20 TOTAL MAINTENANCE EXPENSE	60,360	60,360	0	0	0	0	0
21 TOTAL TRANSMISSION EXPENSES	\$8,352,841	\$269,844	\$8,082,997	\$0	\$0	\$0	\$0

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CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6,095	0	0	0	0	0	0	0	0
33,073	0	0	0	0	0	0	0	0
26,672	0	0	0	0	0	0	0	0
15,619	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100,085	0	0	0	0	0	0	0	0
27,940	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
209,484	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
22,997	0	0	0	0	0	0	0	0
37,340	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
60,360	0	0	0	0	0	0	0	0
\$269,844	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

OPERATION & MAINTENANCE EXPENSE

1 TRANSMISSION EXPENSES	TRANPIS
2 OPERATION	TRANPIS
3 560-SUPERVISION & ENGINEER	TRANPIS
4 561-LOAD DISPATCHING	TRANPIS
5 562-STATION EXPENSES	TRANPIS
6 563-OVERHEAD LINE EXPENSES	TRANPIS
7 564-UNDERGROUND LINE EXP	TRANPIS
8 565-TRANSM ELECT BY OTHERS	EFUEL
9 566-MISCELLANEOUS TRNSM EXP	TRANPIS
10 567-RENTS	TRANPIS
11 565-TRANSM ELECT BY OTHERS	EFUEL
12 TOTAL OPERATION EXPENSE	
13 MAINTENANCE	
14 568-SUPERVISION & ENGINEER	LAB56973
15 569-STRUCTURES	TRANPIS
16 570-STATION EQUIPMENT	TRANPIS
17 571-OVERHEAD LINES	TRANPIS
18 572-MAINT OF UNDRGRND LINES	TRANPIS
19 573-MAINT MISC TRANSM PLT	TRANPIS
20 TOTAL MAINTENANCE EXPENSE	
21 TOTAL TRANSMISSION EXPENSES	

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 DISTRIBUTION EXPENSES							
2 OPERATION							
3 580-SUPERVISION & ENGINEER							
4 581-LOAD DISPATCHING	\$423,430	\$268,825	\$0	\$154,605	\$0	\$0	\$0
5 582-STATION EXPENSES	582,583	543,997	0	38,585	0	0	0
6 583-OVERHEAD LINE EXPENSES	74,790	74,790	0	0	0	0	0
7 584-UNDERGROUND LINE EXP	499,849	499,849	0	0	0	0	0
8 585-STREET LIGHT & SIGNAL	490,312	490,312	0	0	0	0	0
9 586-METER EXPENSES	1,894	0	0	1,894	0	0	0
10 587-CUST INSTALLATIONS EXP	778,885	0	0	778,885	0	0	0
11 588-MISC DISTRIBUTION EXP	35,827	33,454	0	2,373	0	0	0
12 589-RENTS	1,097,758	1,025,052	0	72,706	0	0	0
13 TOTAL OPERATION EXPENSE	83,088	77,585	0	5,503	0	0	0
14 MAINTENANCE	4,068,416	3,013,865	0	1,054,551	0	0	0
15 590-SUPERVISION & ENGINEER							
16 591-STRUCTURES	0	0	0	0	0	0	0
17 592-STATION EQUIPMENT	0	0	0	0	0	0	0
18 593-OVERHEAD LINES	734,286	734,286	0	0	0	0	0
19 594-UNDERGROUND LINES	763,922	763,922	0	0	0	0	0
20 595-LINE TRANSFORMERS	108,736	108,736	0	0	0	0	0
21 596-STREET LIGHT & SIGNAL	104,881	104,881	0	0	0	0	0
22 597-METERS	315,846	0	0	315,846	0	0	0
23 598-MISC DISTRIBUTION PLANT	614	0	0	614	0	0	0
24 BLANK	15,555	14,525	0	1,030	0	0	0
25 TOTAL MAINTENANCE EXPENSE	2,043,840	1,726,350	0	317,490	0	0	0
26 TOTAL DISTRIBUTION EXPENSES	\$6,112,256	\$4,740,215	\$0	\$1,372,041	\$0	\$0	\$0

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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 8 OF 20

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
LAB58189	\$0	\$164,155	\$104,670	\$4,696	\$147,939	\$0	\$0	\$0	\$1,971
DISTPIS	0	450,056	93,941	19,924	11,518	0	0	0	7,142
PLTDSUB	0	74,790	0	0	0	0	0	0	0
PLTDOHL	0	499,849	0	0	0	0	0	0	0
PLTDUGL	0	0	490,312	0	0	0	0	0	0
PLT373	0	0	0	0	0	0	0	0	1,894
PLT370	0	0	0	0	778,885	0	0	0	0
DISTPIS	0	27,677	5,777	1,225	708	0	0	0	439
DISTPIS	0	848,039	177,013	37,543	21,704	0	0	0	13,458
DISTPIS	0	64,187	13,398	2,842	1,643	0	0	0	1,019
13 TOTAL OPERATION EXPENSE	0	2,128,753	885,111	66,230	962,398	0	0	0	25,923
LAB59198	0	0	0	0	0	0	0	0	0
PLT361	0	0	0	0	0	0	0	0	0
PLT362	0	734,286	0	0	0	0	0	0	0
DISTSUB	0	763,922	0	0	0	0	0	0	0
PLTDUGL	0	0	108,736	0	0	0	0	0	0
PLT368	0	104,881	0	0	0	0	0	0	0
PLT373	0	0	0	0	0	0	0	0	0
PLT370	0	0	0	0	614	0	0	0	315,846
DISTPIS	0	12,017	2,508	532	308	0	0	0	191
SALESREV	0	0	0	0	0	0	0	0	0
25 TOTAL MAINTENANCE EXPENSE	0	1,615,106	111,244	532	922	0	0	0	316,036
26 TOTAL DISTRIBUTION EXPENSES	\$0	\$3,743,859	\$996,355	\$66,762	\$963,319	\$0	\$0	\$0	\$341,960

OPERATION & MAINTENANCE EXPENSE CONTINUED

1 DISTRIBUTION EXPENSES	
2 OPERATION	
3 580-SUPERVISION & ENGINEER	
4 581-LOAD DISPATCHING	
5 582-STATION EXPENSES	
6 583-OVERHEAD LINE EXPENSES	
7 584-UNDERGROUND LINE EXP	
8 585-STREET LIGHT & SIGNAL	
9 586-METER EXPENSES	
10 587-CUST INSTALLATIONS EXP	
11 588-MISC DISTRIBUTION EXP	
12 589-RENTS	
13 TOTAL OPERATION EXPENSE	
14 MAINTENANCE	
15 590-SUPERVISION & ENGINEER	
16 591-STRUCTURES	
17 592-STATION EQUIPMENT	
18 593-OVERHEAD LINES	
19 594-UNDERGROUND LINES	
20 595-LINE TRANSFORMERS	
21 596-STREET LIGHT & SIGNAL	
22 597-METERS	
23 598-MISC DISTRIBUTION PLANT	
24 BLANK	
25 TOTAL MAINTENANCE EXPENSE	
26 TOTAL DISTRIBUTION EXPENSES	

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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
OPERATION & MAINTENANCE EXPENSE CONTINUED							
1 CUSTOMER ACCOUNTS EXPENSES							
2 901-SUPERVISION	\$260,950	\$0	\$0	\$260,950	\$0	\$0	\$0
3 902-METER READING EXPENSE	915,625	0	0	915,625	0	0	0
4 903-CUST RECORDS & COLL EXP	3,070,993	0	0	3,070,993	0	0	0
5 904-UNCOLLECTIBLE ACCOUNTS	764,063	713,458	0	50,605	0	0	0
6 905-MISC CUST ACCTS EXP	39,451	0	0	39,451	0	0	0
7 TOTAL CUSTOMER ACCTS EXPENSE	\$5,051,083	\$713,458	\$0	\$4,337,624	\$0	\$0	\$0
8							
9 CUSTOMER SERVICE & INFO EXP							
10 431-CUSTOMER DEPOSIT INTEREST	\$14,499	\$13,539	\$0	\$960	\$0	\$0	\$0
11 908-CUSTOMER ASSISTANCE EXP	94,671	0	0	94,671	0	0	0
12 909-INFO & INSTRUCT EXP	49,423	0	0	49,423	0	0	0
13 910-MISC CUST SERV & INFO EX	31,336	0	0	31,336	0	0	0
14 TOTAL CUST SERVICE & INFO EXP	\$189,930	\$13,539	\$0	\$176,391	\$0	\$0	\$0
15							
16 SALES EXPENSES							
17 911-SUPERVISION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 912-DEMONSTRATING & SELLING	0	0	0	0	0	0	0
19 913-ADVERTISING EXPENSE							
20 SAFETY	0	0	0	0	0	0	0
21 DSM	0	0	0	0	0	0	0
22 ENVIRONMENTAL	0	0	0	0	0	0	0
23 OTHER	0	0	0	0	0	0	0
24 TOTAL ACCOUNT 913	0	0	0	0	0	0	0
25 914-MISCELLANEOUS SALES EXP	0	0	0	0	0	0	0
26 TOTAL SALES EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27							
28 TOTAL OPER & MAINT EXCL A&G	\$123,510,358	\$6,320,736	\$111,303,565	\$5,886,056	\$237,621	\$346,059	\$0
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OPERATION & MAINTENANCE EXPENSE CONTINUED

[illegible]

TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
\$2,958,987	\$2,174,493	\$0	\$784,494	\$89,534	\$104,447	\$0
971,717	714,093	0	257,624	29,403	34,300	0
(1,004,502)	(738,186)	0	(266,316)	(30,395)	(35,457)	0
1,174,772	863,314	0	311,458	35,547	41,467	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
81,780	76,363	0	5,416	0	0	0
0	0	0	0	0	0	0
511,137	375,623	0	135,514	15,466	18,042	0
1,990,376	1,462,683	0	527,693	60,226	70,257	0
0	0	0	0	0	0	0
197,223	185,315	0	11,908	212	10,888	0
(86,769)	(81,530)	0	(5,239)	(93)	(4,790)	0
350,073	328,937	0	21,136	376	19,326	0
54,001	50,740	0	3,260	58	2,981	0
0	0	0	0	0	0	0
7,198,796	5,411,846	0	1,786,950	200,335	261,460	0
20,026	15,380	0	4,646	517	1,421	0
7,218,822	5,427,226	0	1,791,595	200,851	262,881	0
0	0	0	0	0	0	0
130,729,179	11,747,963	111,303,565	7,677,652	438,472	608,941	0

OPERATION & MAINTENANCE EXPENSE CONTINUED

1 ADMINISTRATIVE & GENERAL EXP

2 OPERATION

3 920-ADMIN & GEN SALARIES

4 921-OFFICE SUPPLIES & EXP

5 922-ADMIN EXP TRANSF-CREDIT

6 923-OUTSIDE SERVICES EMPLOY

7 924-PROPERTY INSURANCE

8 PRODUCTION RELATED

9 TRANSMISSION RELATED

10 DISTRIBUTION RELATED

11 OTHER

12 925-INJURIES & DAMAGES

13 926-EMPLOYEE PENSNS & BENE

14 927-FRANCHISE REQUIREMENTS

15 928-REGULATORY COMMISSION EXP

16 929-DUPLICATE CHARGES-CR

17 930-GENEAL ADVERTISING EX

18 931-RENTS

19 933-TRANSPORTATION EXPT

20 TOTAL OPERATION EXPENSE

21 MAINTENANCE

22 935-MAINT OF GENERAL PLANT

23 TOTAL ADMIN & GENERAL EXPENSE

24 PAYROLL EXPENSE ADJUSTMENT

25 TOTAL OPERATION & MAINT EXP

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CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
\$202,294	\$1,427,857	\$350,360	\$45,785	\$215,215	\$27,206	\$368,445	\$66,221	\$61,821
66,433	468,901	115,057	15,036	70,676	8,934	120,996	21,747	20,236
(68,674)	(484,722)	(118,939)	(15,543)	(73,060)	(9,236)	(125,078)	(22,481)	(20,919)
80,315	566,886	139,099	18,178	85,444	10,801	146,279	26,291	24,465
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	63,176	13,187	2,797	1,617	0	0	0	1,003
0	0	0	0	0	0	0	0	0
34,944	246,649	60,521	7,909	37,176	4,700	63,645	11,439	10,644
136,074	960,455	235,671	30,798	144,766	18,300	247,836	44,544	41,450
0	0	0	0	0	0	0	0	0
28,319	120,600	25,297	5,298	3,510	64	873	157	2,006
(12,459)	(53,058)	(11,129)	(2,331)	(1,544)	(28)	(384)	(69)	(883)
50,266	214,066	44,902	9,404	6,230	114	1,549	278	3,561
7,754	33,021	6,926	1,451	961	18	239	43	549
0	0	0	0	0	0	0	0	0
525,267	3,563,831	860,954	118,780	490,991	60,873	824,400	148,171	143,734
1,498	9,632	2,312	326	1,277	157	2,126	382	378
526,765	3,573,463	863,266	119,106	492,268	61,030	826,526	148,554	144,112
0	0	0	0	0	0	0	0	0
796,609	7,918,777	1,985,164	212,495	1,470,981	994,290	4,136,345	323,984	539,558

OPERATION & MAINTENANCE EXPENSE CONTINUED

1 ADMINISTRATION & GENERAL EXP

2 OPERATION

3 920-ADMIN & GEN SALARIES

4 921-OFFICE SUPPLIES & EXP

5 922-ADMIN EXP TRANSF-CREDIT

6 923-OUTSIDE SERVICES EMPLOY

7 924-PROPERTY INSURANCE

8 PRODUCTION RELATED

9 TRANSMISSION RELATED

10 DISTRIBUTION RELATED

11 OTHER

12

13 925-INJURIES & DAMAGES

14 926-EMPLOYEE PENSNS & BENE

15 927-FRANCHISE REQUIREMENTS

16 928-REGULATORY COMMISSION EXP

17 929-DUPLICATE CHARGES-CR

18 930-GENEAL ADVERTISING EX

19 931-RENTS

20 933-TRANSPORTATION EXPT

21 TOTAL OPERATION EXPENSE

22 MAINTENANCE

23 935-MAINT OF GENERAL PLANT

24 TOTAL ADMIN & GENERAL EXPENSE

25 PAYROLL EXPENSE ADJUSTMENT

26 TOTAL OPERATION & MAINT EXP

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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 DEPRECIATION EXPENSE							
2							
3 INTANGIBLE DEPREC EXP							
4 302-FRANCH & CONSENTS		\$19	\$0	\$1	\$0	\$1	\$0
5 303-MISC. INTANG PLT		1,099,135	0	61,407	0	63,271	0
6 302-FRANCH & CONSENTS - ACQ ADJ		(145)	0	(8)	0	(8)	0
7 303-MISC. INTANG PLT - ACQ ADJ		(113,108)	0	(6,319)	0	(6,511)	0
8 TOTAL INTANGIBLE DEPREC EXPENSE	\$1,040,982	\$985,901	\$0	\$55,081	\$0	\$56,753	\$0
9							
10 PRODUCTION DEPREC EXP							
11 340-LAND & LAND RIGHTS		\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE		32,914	0	0	0	32,914	0
13 342-FUEL HLD, PROD, & ACC		19,643	0	0	0	19,643	0
14 343-PRIME MOVERS		308,783	0	0	0	308,783	0
15 344-GENERATORS		96,843	0	0	0	96,843	0
16 345-ACCESSORY ELECT EQ		53,906	0	0	0	53,906	0
17 346-MISC POWER PLT EQUIP		28,904	0	0	0	28,904	0
18 340-LAND & LAND RIGHTS - ACQ ADJ		0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ		(2,258)	0	0	0	(2,258)	0
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ		(6,296)	0	0	0	(6,296)	0
21 343-PRIME MOVERS - ACQ ADJ		(74,538)	0	0	0	(74,538)	0
22 344-GENERATORS - ACQ ADJ		(15,953)	0	0	0	(15,953)	0
23 345-ACCESSORY ELECT EQ - ACQ ADJ		(14,093)	0	0	0	(14,093)	0
24 346-MISC POWER PLT EQUIP - ACQ ADJ		(4,797)	0	0	0	(4,797)	0
25 TOTAL PRODUCTION DEPREC EXPENSE	\$423,060	\$423,060	\$0	\$0	\$0	\$423,060	\$0
26							
27 TRANSMISSION DEPREC EXP							
28 350-LAND		\$3,823	\$0	\$0	\$0	\$0	\$0
29 352-STRUCTURES & IMPROV.		13,625	0	0	0	0	0
30 353-STATION EQUIPMENT		542,398	0	0	0	0	0
31 354-TOWERS & FIXTURES		22,677	0	0	0	0	0
32 355-POLES & FIXTURES		959,507	0	0	0	0	0
33 356-OVHD COND. & DEVICES		369,804	0	0	0	0	0
34 358-UNDERGROUND CONDUCTORS & TRAPIS		1,121	0	0	0	0	0
35 359-ROADS & TRAILS		3,475	0	0	0	0	0
36 350-LAND - ACQ ADJ		(1,898)	0	0	0	0	0
37 352-STRUCTURES & IMPROV. - ACQ ADJ		(965)	0	0	0	0	0
38 353-STATION EQUIPMENT - ACQ ADJ		(152,537)	0	0	0	0	0
39 354-TOWERS & FIXTURES - ACQ ADJ		(9,443)	0	0	0	0	0
40 355-POLES & FIXTURES - ACQ ADJ		(135,224)	0	0	0	0	0
41 356-OVHD COND. & DEVICES - ACQ ADJ		(84,215)	0	0	0	0	0

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
DEPRECIATION & AMORTIZATION EXPENSE									
1 DEPRECIATION EXPENSE									
2									
3 INTANGIBLE DEPREC EXP									
4 302-FRANCH & CONSENTS	PISXGENL	\$3	\$12	\$3	\$1	\$0	\$0	\$0	\$0
5 303-MISC. INTANG PLT	PISXGENL	170,113	716,248	149,504	31,709	18,331	0	0	11,367
6 302-FRANCH & CONSENTS - ACQ ADJ	PISXGENL	(22)	(95)	(20)	(4)	(2)	0	0	(2)
7 303-MISC. INTANG PLT - ACQ ADJ	PISXGENL	(17,506)	(73,706)	(15,385)	(3,263)	(1,886)	0	0	(1,170)
8 TOTAL INTANGIBLE DEPREC EXPENSE		\$152,587	\$642,459	\$134,102	\$28,442	\$16,443	\$0	\$0	\$10,196
9									
10 PRODUCTION DEPREC EXP									
11 340-LAND & LAND RIGHTS	PRODPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE	PRODPIS	0	0	0	0	0	0	0	0
13 342-FUEL HLD, PROD, & ACC	PRODPIS	0	0	0	0	0	0	0	0
14 343-PRIME MOVERS	PRODPIS	0	0	0	0	0	0	0	0
15 344-GENERATORS	PRODPIS	0	0	0	0	0	0	0	0
16 345-ACCESSORY ELECT EQ	PRODPIS	0	0	0	0	0	0	0	0
17 346-MISC POWER PLT EQUIP	PRODPIS	0	0	0	0	0	0	0	0
18 340-LAND & LAND RIGHTS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
21 343-PRIME MOVERS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
22 344-GENERATORS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
23 345-ACCESSORY ELECT EQ - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
24 346-MISC POWER PLT EQUIP - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
25 TOTAL PRODUCTION DEPREC EXPENSE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26									
27 TRANSMISSION DEPREC EXP									
28 350-LAND	TRANPIS	\$3,823	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 352-STRUCTURES & IMPROV.	TRANPIS	13,625	0	0	0	0	0	0	0
30 353-STATION EQUIPMENT	TRANPIS	542,398	0	0	0	0	0	0	0
31 354-TOWERS & FIXTURES	TRANPIS	22,677	0	0	0	0	0	0	0
32 355-POLES & FIXTURES	TRANPIS	959,507	0	0	0	0	0	0	0
33 356-OVHD COND. & DEVICES	TRANPIS	369,804	0	0	0	0	0	0	0
34 358-UNDERGROUND CONDUCTORS & TRANPIS	TRANPIS	1,121	0	0	0	0	0	0	0
35 359-ROADS & TRAILS	TRANPIS	3,475	0	0	0	0	0	0	0
36 350-LAND - ACQ ADJ	TRANPIS	(1,898)	0	0	0	0	0	0	0
37 352-STRUCTURES & IMPROV. - ACQ ADJ	TRANPIS	(965)	0	0	0	0	0	0	0
38 353-STATION EQUIPMENT - ACQ ADJ	TRANPIS	(152,537)	0	0	0	0	0	0	0
39 354-TOWERS & FIXTURES - ACQ ADJ	TRANPIS	(9,443)	0	0	0	0	0	0	0
40 355-POLES & FIXTURES - ACQ ADJ	TRANPIS	(135,224)	0	0	0	0	0	0	0
41 356-OVHD COND. & DEVICES - ACQ ADJ	TRANPIS	(84,215)	0	0	0	0	0	0	0

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
41 358-UNDERGROUND DEVICES - ACQ / TRANPIS	0	0	0	0	0	0	0
41 359-ROADS & TRAILS - ACQ ADJ TRANPIS	(1,121)	(1,121)	0	0	0	0	0
42 TOTAL TRANSMISSION DEPREC EXPENSE	\$1,531,028	\$1,531,028	\$0	\$0	\$0	\$0	\$0

DEPRECIATION & AMORTIZATION EXPENSE

1 DISTRIBUTION DEPREC EXPENSE							
2 360-LAND RIGHTS	PLT360	\$1,480	\$0	\$0	\$0	\$0	\$0
3 361-STRUCTURES & IMPROV	PLT361	175,281	0	0	0	0	0
4 362-STATION EQUIPMENT	PLT362	1,691,289	0	0	0	0	0
5 364-POLES, TOWERS & FIXTURES	PLT364	3,293,750	0	0	0	0	0
6 365-OVERHEAD CONDUIT & DEV	PLT365	2,342,026	0	0	0	0	0
7 366-UNDERGROUND CONDUIT	PLT366	612,122	0	0	0	0	0
8 367-UNDERGROUND COND & DEV	PLT367	1,646,348	0	0	0	0	0
9 368-LINE TRANSFORMERS	PLT368	2,798,122	0	0	0	0	0
10 369-SERVICES	PLT369	537,690	0	537,690	0	0	0
11 370-METERS	PLT370	255,143	0	255,143	0	0	0
12 371-INSTALLATIONS CUST PREM	PLT371	0	0	0	0	0	0
13 373-STRT LGHT & SIGNAL SYS	PLT373	162,199	0	162,199	0	0	0
14 360-LAND RIGHTS - ACQ ADJ	PLT360	(477)	0	0	0	0	0
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT361	(40,378)	0	0	0	0	0
16 362-STATION EQUIPMENT - ACQ ADJ	PLT362	(358,189)	0	0	0	0	0
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT364	(799,568)	0	0	0	0	0
18 365-OVERHEAD COND & DEV - ACQ ADJ	PLT365	(482,646)	0	0	0	0	0
19 366-UNDERGRND CONDUIT - ACQ ADJ	PLT366	(152,216)	0	0	0	0	0
20 367-UNDERGR COND & DEV - ACQ ADJ	PLT367	(225,545)	0	0	0	0	0
21 368-LINE TRANSFORMERS - ACQ ADJ	PLT368	(431,512)	0	0	0	0	0
22 369-SERVICES - ACQ ADJ	PLT369	0	0	(134,150)	0	0	0
23 370-METERS - ACQ ADJ	PLT370	0	0	(81,914)	0	0	0
24 373-ST LGHT & SIGNAL SYS - ACQ ADJ	PLT373	(43,073)	0	(43,073)	0	0	0
25 TOTAL DISTRIBUTION DEPREC EXPENSE		\$10,069,887	\$0	\$695,895	\$0	\$0	\$0

26		\$10,765,782	\$0	\$695,895	\$0	\$0	\$0
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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 16 OF 20

CAP-SUBTRA	CUST-DIST-PRI	CUST-DIST-SEC	CUST-TRN-SVC	CUST-METER	CUST-METER RDG	CUST-BILL & COL	CUST-INFO	CUST-OTHER
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
0	0	0	0	0	0	0	0	0
(1,121)	0	0	0	0	0	0	0	0
\$1,531,028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

41 358-UNDERGROUND DEVICES - ACQ / TRANPIS
41 359-ROADS & TRAILS - ACQ ADJ TRANPIS
42 TOTAL TRANSMISSION DEPREC EXPENSE

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DEPRECIATION & AMORTIZATION EXPENSE

1 DISTRIBUTION DEPREC EXPENSE	PLT360							
2 360-LAND RIGHTS	PLT361	\$0	\$1,480	\$0	\$0	\$0	\$0	\$0
3 361-STRUCTURES & IMPROV	PLT362	0	175,281	0	0	0	0	0
4 362-STATION EQUIPMENT	PLT364	0	1,691,289	0	0	0	0	0
5 364-POLES, TOWERS & FIXTURES	PLT365	0	3,293,750	0	0	0	0	0
6 365-OVERHEAD CONDUCT & DEV	PLT366	0	2,342,026	0	0	0	0	0
7 366-UNDERGROUND CONDUIT	PLT367	0	0	612,122	0	0	0	0
8 367-UNDERGROUND COND & DEV	PLT368	0	0	1,646,348	0	0	0	0
9 368-LINE TRANSFORMERS	PLT369	0	2,798,122	0	0	0	0	0
10 369-SERVICES	PLT370	0	0	537,690	0	0	0	0
11 370-METERS	PLT371	0	0	0	255,143	0	0	0
12 371-INSTALLATIONS CUST PREM	PLT373	0	0	0	0	0	0	162,199
13 373-STRT LGHT & SIGNAL SYS	PLT360	0	(477)	0	0	0	0	0
14 360-LAND RIGHTS - ACQ ADJ	PLT361	0	(40,378)	0	0	0	0	0
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT362	0	(358,189)	0	0	0	0	0
16 362-STATION EQUIPMENT - ACQ ADJ	PLT364	0	(799,568)	0	0	0	0	0
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT365	0	(482,646)	0	0	0	0	0
18 365-OVERHEAD COND & DEV - ACQ ADJ	PLT366	0	0	(152,216)	0	0	0	0
19 366-UNDERGRND CONDUIT - ACQ ADJ	PLT367	0	0	(225,545)	0	0	0	0
20 367-UNDERGR COND & DEV - ACQ ADJ	PLT368	0	(431,512)	0	0	0	0	0
21 368-LINE TRANSFORMERS - ACQ ADJ	PLT369	0	0	(134,150)	0	0	0	0
22 369-SERVICES - ACQ ADJ	PLT370	0	0	(81,914)	0	0	0	0
23 370-METERS - ACQ ADJ	PLT371	0	0	0	0	0	0	0
24 373-ST LGHT & SIGNAL SYS - ACQ ADJ	PLT373	0	0	0	0	0	0	(43,073)
25 TOTAL DISTRIBUTION DEPREC EXPENSE		\$0	\$8,189,177	\$1,880,709	\$403,540	\$173,229	\$0	\$119,127

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		TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
OPERATION & MAINTENANCE EXPENSE CONTINUED								
1	GENERAL DEPREC EXPENSE							
2	389-LAND & LAND RIGHTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	390-STRUCT & IMPROVE	76,639	58,860	0	17,779	1,977	5,439	0
4	391-OFFICE FURN & EQUIP	426,158	327,298	0	98,859	10,993	30,245	0
5	392-TRANSP EQUIP	(68,346)	(52,491)	0	(15,855)	(1,763)	(4,851)	0
6	393-STORES EQUIPMENT	1,657	1,273	0	384	43	118	0
7	394-TOOLS, SHOP, & GAR EQ	84,270	64,722	0	19,549	2,174	5,981	0
8	395-LABORATORY EQUIP	33,558	25,773	0	7,785	866	2,382	0
9	396-POWER OPER EQUIP	97,285	74,717	0	22,568	2,509	6,904	0
10	397-COMMUNICATION EQUIP	17,394	13,359	0	4,035	449	1,234	0
11	398-MISCELLANEOUS EQUIP	8,184	6,285	0	1,899	211	581	0
12	389-LAND & LAND RIGHTS - ACQ ADJ	0	0	0	0	0	0	0
13	390-STRUCT & IMPROVE - ACQ ADJ	(14,725)	(11,309)	0	(3,416)	(380)	(1,045)	0
14	391-OFFICE FURN & EQUIP - ACQ ADJ	(130,566)	(100,277)	0	(30,288)	(3,368)	(9,266)	0
15	392-TRANSP EQUIP - ACQ ADJ	0	0	0	0	0	0	0
16	393-STORES EQUIPMENT - ACQ ADJ	(979)	(752)	0	(227)	(25)	(69)	0
17	394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	(23,740)	(18,233)	0	(5,507)	(612)	(1,685)	0
18	395-LABORATORY EQUIP - ACQ ADJ	(7,528)	(5,782)	0	(1,746)	(194)	(534)	0
19	396-POWER OPER EQUIP - ACQ ADJ	(7,895)	(6,063)	0	(1,831)	(204)	(560)	0
20	397-COMMUNICATION EQUIP - ACQ ADJ	(15,968)	(12,264)	0	(3,704)	(412)	(1,133)	0
21	398-MISCELLANEOUS EQUIP - ACQ ADJ	(1,027)	(789)	0	(238)	(26)	(73)	0
22	TOTAL GENERAL DEPREC EXPENSE	\$474,371	\$384,327	\$0	\$110,044	\$12,236	\$33,667	\$0
23								
24	TOTAL DEPREC & AMORT EXPENSE	\$14,235,222	\$13,374,202	\$0	\$861,020	\$12,236	\$513,479	\$0
25								
26								
27	TAXES OTHER THAN INCOME TAXES							
28								
29	TAXES OTHER THAN INCOME TAXES							
30	PRODUCTION PROPERTY TAX	\$198,106	\$198,106	\$0	\$0	\$0	\$198,106	\$0
31	TRANSMISSION PROPERTY TAX	437,531	437,531	0	0	0	0	0
32	DISTRIBUTION PROPERTY TAX	2,500,847	2,335,213	0	165,634	0	0	0

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
33 GENERAL PROPERTY TAX	171,505	161,150	0	10,355	184	9,468	0
34 PAYROLL TAX	445,648	327,497	0	118,151	13,485	15,731	0
35 MEDICAL AND DENTAL	5,173	3,801	0	1,371	157	183	0
36 REGULATORY & OTHER	78,240	57,497	0	20,743	2,367	2,762	0
37 TOTAL TAXES OTHER THAN INCOME	\$3,837,049	\$3,520,795	\$0	\$316,255	\$16,193	\$226,249	\$0
38							
39							
40 TOTAL EXPENSES BEFORE INCOME TAX	\$148,801,451	\$28,642,960	\$111,303,565	\$8,854,927	\$466,902	\$1,348,668	\$0
41							
42 OPERATING INCOME BEFORE INCOME TAX	\$12,124,615	\$11,853,646	\$0	\$270,968	\$13,380	\$992,897	\$0
43							
44							
45							

DEVELOPMENT OF INCOME TAXES

1 TOTAL OPERATING REVENUES	160,926,066	40,496,606	111,303,565	9,125,895	480,281	2,341,565	0
2							
3 LESS:							
4 OPERATION & MAINT EXPENSE	130,729,179	11,747,963	111,303,565	7,677,652	438,472	608,941	0
5 DEPREC & AMORT EXPENSE	0	0	0	0	0	0	0
6 TAXES OTHER THAN INCOME	3,837,049	3,520,795	0	316,255	16,193	226,249	0
7							
8 OPERATING INCOME BEFORE TAXES	26,359,837	25,227,849	0	1,131,988	25,616	1,506,376	0
9							
10 LESS:							
11 INTEREST	0	0	0	0	0	0	0
12							
13 STATE TAXABLE INCOME	26,359,837	25,227,849	0	1,131,988	25,616	1,506,376	0
14 TOTAL STATE INCOME TAX	0	0	0	0	0	0	0
15							
16							
17 FEDERAL TAXABLE INCOME	26,359,837	25,227,849	0	1,131,988	25,616	1,506,376	0
18							
19 STATE AND FEDERAL INCOME TAX	0	0	0	0	0	0	0
20 INC TAX	2,121,267	1,993,191	0	128,076	2,281	117,103	0
21 DEF INC TAX	0	0	0	0	0	0	0

	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
PRESENT RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS	3.77%	2.42%	6.76%	10.53%	-5.33%	-2.86%	-14.43%
RATE OF RETURN							
REVENUES REQUIRED							
1 DEMAND COMPONENTS	40,496,606	20,352,968	3,280,445	14,879,655	1,654,275	336,005	(6,742)
2 DEMAND PRODUCTION	480,281	244,439	28,510	145,237	55,855	5,511	730
3 DEMAND TRANSMISSION (PEAKING)	2,341,565	1,025,781	172,212	1,100,061	36,387	10,008	(2,893)
4 DEMAND TRANSMISSION (WAPA)	0	0	0	0	0	0	0
5 DEMAND SUBTRANSMISSION	5,064,212	2,248,505	366,446	2,308,295	121,365	24,691	(5,091)
6 DEMAND DISTRIBUTION PRIMARY	26,127,398	13,502,371	2,159,837	8,975,876	1,193,007	295,796	512
7 DEMAND DISTRIBUTION SECONDARY	6,483,150	3,331,872	553,440	2,350,186	247,651	0	0
8 ENERGY COMPONENTS	111,303,565	54,866,812	8,328,497	32,658,900	15,102,131	2,134,174	213,051
9 CUSTOMER COMPONENTS	9,125,895	6,492,211	1,144,766	876,573	236,050	18,474	357,820
10 CUSTOMER SERVICE DROP	1,060,312	542,068	89,047	375,792	42,559	11,163	(316)
11 CUSTOMER METER	2,061,008	1,591,275	309,813	157,375	849	1,696	0
12 CUSTOMER METER READING	1,006,303	775,750	131,774	60,284	37,487	1,008	0
13 CUSTOMER BILLING & COLLECTION	4,295,555	3,252,363	556,821	256,457	154,925	4,186	70,802
14 CUSTOMER INFORMATION	353,896	281,688	48,883	22,772	196	356	0
15 CUSTOMER OTHER	348,821	49,068	8,429	3,893	35	63	287,334
21 TOTAL COMPANY	160,926,066	81,711,991	10,753,709	48,415,127	16,992,456	2,488,654	564,129

	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
PRESENT RATE OF RETURN SUMMARY SCHEDULE - UNIT COST							
RATE OF RETURN	3.77%	2.42%	6.76%	10.53%	-5.33%	-2.86%	-14.43%
\$/KWH							
1 DEMAND COMPONENTS	0.0246	0.0251	0.0351	0.0309	0.0074	0.0107	(0.0021)
2 DEMAND PRODUCTION	0.0003	0.0003	0.0003	0.0003	0.0003	0.0002	0.0002
3 DEMAND TRANSMISSION (PEAKING)	0.0014	0.0013	0.0018	0.0023	0.0002	0.0003	(0.0009)
4 DEMAND TRANSMISSION (WAPA)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5 DEMAND SUBTRANSMISSION	0.0031	0.0028	0.0039	0.0048	0.0005	0.0008	(0.0016)
6 DEMAND DISTRIBUTION PRIMARY	0.0159	0.0167	0.0231	0.0186	0.0054	0.0094	0.0002
7 DEMAND DISTRIBUTION SEC/MDARY	0.0039	0.0041	0.0059	0.0049	0.0011	0.0000	0.0000
8 ENERGY COMPONENTS	0.0677	0.0677	0.0677	0.0677	0.0677	0.0677	0.0677
9 CUSTOMER COMPONENTS	0.0056	0.0080	0.0123	0.0018	0.0011	0.0006	0.1138
10 CUSTOMER SERVICE DROP	0.0006	0.0007	0.0010	0.0008	0.0002	0.0004	(0.0001)
11 CUSTOMER METER	0.0013	0.0020	0.0033	0.0003	0.0000	0.0001	0.0000
12 CUSTOMER METER READING	0.0006	0.0010	0.0014	0.0001	0.0002	0.0000	0.0000
13 CUSTOMER BILLING & COLLECTION	0.0026	0.0040	0.0060	0.0005	0.0007	0.0001	0.0225
14 CUSTOMER INFORMATION	0.0002	0.0003	0.0005	0.0000	0.0000	0.0000	0.0000
15 CUSTOMER OTHER	0.0002	0.0001	0.0001	0.0000	0.0000	0.0000	0.0914
16							
17							
18							
19							
20							
21 TOTAL COMPANY	0.0979	0.1009	0.1151	0.1004	0.0762	0.0790	0.1794
DELIVERY	0.030200	0.033143	0.047366	0.032680	0.008479	0.011251	0.111623
FUEL	0.067738	0.067738	0.067738	0.067738	0.067738	0.067738	0.067738
TOTAL	0.097937	0.100880	0.115104	0.100418	0.076216	0.078989	0.179360

CLAIMED RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS							
	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
RATE OF RETURN	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%
REVENUES REQUIRED							
1 DEMAND COMPONENTS	52,258,858	30,327,169	3,316,178	10,974,161	6,613,628	864,670	163,053
2 DEMAND PRODUCTION	493,430	254,861	28,545	140,405	62,685	6,040	895
3 DEMAND TRANSMISSION (PEAKING)	3,379,184	1,848,159	174,913	718,776	575,403	51,807	10,127
4 DEMAND TRANSMISSION (WAPA)	(0)	0	0	0	0	0	0
5 DEMAND SUBTRANSMISSION	7,132,334	3,887,621	371,831	1,548,339	1,195,680	108,003	20,860
6 DEMAND DISTRIBUTION PRIMARY	32,931,009	19,302,698	2,181,185	6,842,453	3,774,681	698,820	131,171
7 DEMAND DISTRIBUTION SEC/PMDARY	8,322,901	5,033,831	559,704	1,724,187	1,005,178	(0)	(0)
8 ENERGY COMPONENTS	111,303,565	54,866,812	6,328,497	32,658,900	15,102,131	2,134,174	213,051
9 CUSTOMER COMPONENTS	10,863,642	7,240,372	1,148,105	749,003	363,344	38,183	1,324,636
10 CUSTOMER SERVICE DROP	1,369,697	805,829	90,017	278,777	159,957	29,490	5,626
11 CUSTOMER METER	2,442,598	1,994,367	311,783	131,948	1,654	2,846	(0)
12 CUSTOMER METER READING	1,011,429	780,506	131,797	59,984	38,120	1,022	0
13 CUSTOMER BILLING & COLLECTION	4,370,673	3,315,659	557,130	252,465	163,356	4,367	77,696
14 CUSTOMER INFORMATION	365,275	293,708	48,942	22,014	220	391	(0)
15 CUSTOMER OTHER	1,303,970	50,303	8,435	3,815	37	66	1,241,314
16 TOTAL COMPANY	174,426,065	92,434,354	10,792,779	44,382,063	22,079,103	3,037,027	1,700,739
17							
18							
19 CUSTOMER COMPONENT \$/MO/CUST	10.08736	7.72310	12.30077	31.05317	1.593,61476	93.58530	61.98867
20	1,643,153,389	809,988,329	93,426,398	482,137,131	222,949,894	31,506,409	3,145,228
21	89,746	78,125	7,778	2,010	19	34	1,781
Service Drop	(309,385)	0.859556	0.964445	11.557927	701.563820	72.280365	0.263266
Metering	(381,590)	2.127336	3.340440	5.470472	7.254002	6.976405	(0.000000)
Meter Reading	(5,126)	0.832544	1.412069	2.486878	167.194747	2.504646	0.000000
Billing & Collections	(75,118)	3.536722	5.969083	10.467030	716.472678	10.703500	3.635923
Customer Services	(11,379)	0.313291	0.524363	0.912689	0.965876	0.957598	(0.000000)
Customer Other	(955,149)	0.053656	0.090370	0.158176	0.163640	0.162790	58.089477
		7.723	12.301	31.053	1,593.615	93.585	61.989
Service Drop		0.89	0.98	11.17	176.09	12.36	0.06
Metering		2.20	3.39	5.28	1.82	1.19	(0.00)
Meter Reading		0.86	1.43	2.40	41.97	0.43	0.00
Billing & Collections		3.66	6.07	10.11	179.84	1.83	0.76
Customer Services		0.32	0.53	0.88	0.24	0.16	(0.00)
Customer Other		0.06	0.09	0.15	0.04	0.03	12.18
		8.000	12.500	30.000	400.000	16.000	13.000
Energy	0.067738	8.000000	12.500000	30.000000	400.000000	16.000000	13.000000
		0.067738	0.067738	0.067738	0.067738	0.067738	0.067738

	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
CLAIMED RATE OF RETURN SUMMARY SCHEDULE - UNIT COSTS	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%
RATE OF RETURN							
\$/KWH							
1 DEMAND COMPONENTS							
2 DEMAND PRODUCTION	\$0.0318	\$0.0374	\$0.0355	\$0.0228	\$0.0297	\$0.0274	\$0.0518
3 DEMAND TRANSMISSION (PEAKING)	\$0.0003	\$0.0003	\$0.0003	\$0.0003	\$0.0003	\$0.0002	\$0.0003
4 DEMAND TRANSMISSION (WAPA)	\$0.0021	\$0.0023	\$0.0019	\$0.0015	\$0.0026	\$0.0016	\$0.0032
5 DEMAND SUBTRANSMISSION	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
6 DEMAND DISTRIBUTION PRIMARY	\$0.0043	\$0.0048	\$0.0040	\$0.0032	\$0.0054	\$0.0034	\$0.0066
7 DEMAND DISTRIBUTION SECONDARY	\$0.0200	\$0.0238	\$0.0233	\$0.0142	\$0.0169	\$0.0222	\$0.0417
8 ENERGY COMPONENTS	\$0.0051	\$0.0062	\$0.0060	\$0.0036	\$0.0045	\$0.0000	\$0.0000
9 CUSTOMER COMPONENTS	\$0.0677	\$0.0677	\$0.0677	\$0.0677	\$0.0677	\$0.0677	\$0.0677
10 DEMAND DISTRIBUTION TRANSF & SVCS	\$0.0066	\$0.0089	\$0.0123	\$0.0016	\$0.0016	\$0.0012	\$0.4212
11 CUSTOMER METER	\$0.0008	\$0.0010	\$0.0010	\$0.0006	\$0.0007	\$0.0009	\$0.0018
12 CUSTOMER METER READING	\$0.0015	\$0.0025	\$0.0033	\$0.0003	\$0.0000	\$0.0001	\$0.0000
13 CUSTOMER BILLING & COLLECTION	\$0.0006	\$0.0010	\$0.0014	\$0.0001	\$0.0002	\$0.0000	\$0.0000
14 CUSTOMER INFORMATION	\$0.0027	\$0.0041	\$0.0090	\$0.0005	\$0.0007	\$0.0001	\$0.0247
15 CUSTOMER OTHER	\$0.0002	\$0.0004	\$0.0005	\$0.0000	\$0.0000	\$0.0000	\$0.0000
16 SYSTEM BENEFITS	\$0.0008	\$0.0001	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.3947
17 RENEWABLES	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
18 ENVIRONMENTAL							
19 DSM							
20 LOW INCOME							
21 TOTAL COMPANY	\$0.1062	\$0.1141	\$0.1155	\$0.0921	\$0.0990	\$0.0964	\$0.5407

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
DEVELOPMENT OF LABOR ALLOCATION FACTOR								
1 POWER PRODUCTION LABOR								
2 OTHER POWER GENERATION								
3 OPERATION								
4 546-SUPERVISION & ENGINEER	OX546	0	0	0	0	0	0	0
5 547-FUEL	OX547	0	0	0	0	0	0	0
6 548-GENERATION EXPENSES	OX548	0	0	0	0	0	0	0
7 549-MISC OTH POWER GEN EXP	OX549	0	0	0	0	0	0	0
8 550-RENTS	OX550	0	0	0	0	0	0	0
9 550.1-OPER SUPPLIES & EXP	OX5501	0	0	0	0	0	0	0
10 TOTAL OPERATION LABOR		0	0	0	0	0	0	0
11 MAINTENANCE								
12 551-SUPERVISION & ENGINEER	MX551	0	0	0	0	0	0	0
13 552-STRUCTURES	MX552	0	0	0	0	0	0	0
14 553-GENERATING & ELECT PLT	MX553	67,025	34,425	3,916	19,529	8,239	801	114
15 554-MISC OTH POWER GEN PLT	MX554	45,896	23,573	2,682	13,373	5,642	548	78
16 554.1-OTHER PLANT MAINT	MX5541	0	0	0	0	0	0	0
17 TOTAL MAINTENANCE LABOR		112,921	57,998	6,598	32,902	13,881	1,349	192
18 TOT OTH POWER GENERATION LABOR		112,921	57,998	6,598	32,902	13,881	1,349	192
19 OTHER POWER SUPPLY LABOR								
20 555-PURCHASED POWER	OX555	0	0	0	0	0	0	0
21 556-SYS CONTRL & LOAD DISP	OX556	1,230	632	72	358	151	15	2
22 557-OTHER EXPENSES	OX557	276,007	141,762	16,126	80,422	33,930	3,298	470
23 TOTAL OTHER POWER SUPPLY LABOR		277,237	142,394	16,198	80,780	34,081	3,312	472
24 TOTAL POWER PRODUCTION LABOR		390,158	200,392	22,796	113,683	47,962	4,661	664
25								
26 TRANSMISSION LABOR								
27 OPERATION								
28 560-SUPERVISION & ENGINEER	OX560	0	0	0	0	0	0	0
29 561-LOAD DISPATCHING	OX561	28,539	14,658	1,667	8,316	3,508	341	49
30 562-STATION EXPENSES	OX562	21,914	11,255	1,280	6,385	2,694	262	37
31 563-OVERHEAD LINE EXPENSES	OX563	13,801	7,088	806	4,021	1,697	165	23
32 564-UNDERGROUND LINE EXP	OX564	0	0	0	0	0	0	0
33 565-TRANSM ELECT BY OTHERS	OX565	0	0	0	0	0	0	0
34 566-MISCELLANEOUS TRNSM EXP	OX566	24,624	12,647	1,439	7,175	3,027	294	42
35 567-RENTS	OX567	0	0	0	0	0	0	0
36 TOTAL OPERATION LABOR		88,878	45,649	5,193	25,897	10,926	1,062	151
37 MAINTENANCE								
38 568-SUPERVISION & ENGINEER	MX568	0	0	0	0	0	0	0
39 569-STRUCTURES	MX569	0	0	0	0	0	0	0
40 570-STATION EQUIPMENT	MX570	15,938	8,186	931	4,644	1,959	190	27
41 571-OVERHEAD LINES	MX571	24,951	12,815	1,458	7,270	3,067	298	42
42 572-MAINT OF UNDRGRND LINES	MX572	0	0	0	0	0	0	0
43 573-MAINT MISC TRANSM PLT	MX573	0	0	0	0	0	0	0
44 TOTAL MAINTENANCE LABOR		40,889	21,001	2,389	11,914	5,026	489	70
45 TOTAL TRANSMISSION LABOR		129,767	66,651	7,582	37,811	15,952	1,550	221

DEVELOPMENT OF LABOR ALLOCATION FACTOR CONTINUED							
ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 DISTRIBUTION LABOR							
2 OPERATION							
3 580-SUPERVISION & ENGINEER	27,291	17,640	2,568	5,091	1,631	205	156
4 OX581	428,693	241,181	31,025	106,012	38,102	6,199	6,173
5 581-LOAD DISPATCHING	13,851	7,797	994	3,509	1,267	248	37
6 582-STATION EXPENSES	216,119	121,650	15,506	54,749	19,772	3,868	573
7 583-OVERHEAD LINE EXPENSES	326,755	187,785	23,936	84,513	30,522	0	0
8 584-UNDERGROUND LINE EXP	1,137	0	0	0	0	0	1,137
9 585-STREET LIGHT & SIGNAL	574,975	460,544	77,947	35,547	336	601	0
10 586-METER EXPENSES	22,093	12,429	1,599	5,463	1,964	319	318
11 587-CUST INSTALLATIONS EXP	92,833	52,227	6,719	22,957	8,251	1,342	1,337
12 588-MISC DISTRIBUTION EXP	0	0	0	0	0	0	0
13 589-RENTS	1,703,747	1,101,254	160,293	317,840	101,845	12,784	9,732
2 TOTAL OPERATION LABOR							
3 MAINTENANCE							
4 590-SUPERVISION & ENGINEER	0	0	0	0	0	0	0
5 MX591	0	0	0	0	0	0	0
6 591-STRUCTURES	339,146	190,900	24,333	85,915	31,028	6,071	900
7 MX592	588,573	331,299	42,228	149,101	53,848	10,535	1,562
8 593-OVERHEAD LINES	84,357	48,480	6,179	21,818	7,880	0	0
9 594-UNDERGROUND LINES	57,469	32,348	4,123	14,558	5,258	1,029	152
10 595-LINE TRANSFORMERS	117,379	0	0	0	0	0	117,379
11 596-STREET LIGHT & SIGNAL	105	84	14	6	0	0	0
12 MX596	0	0	0	0	0	0	0
13 597-METERS	0	0	0	0	0	0	0
14 MX598	1,187,029	603,111	76,878	271,399	98,013	17,635	119,993
15 598-MISC DISTRIBUTION PLANT	2,890,776	1,704,365	237,171	589,239	199,858	30,418	129,725
3 TOTAL MAINTENANCE LABOR							
4 TOTAL DISTRIBUTION LABOR							
5							
6							
7 CUSTOMER ACCOUNTS LABOR							
8 901-SUPERVISION	189,091	143,604	24,305	11,084	6,862	187	3,049
9 OX902	71,462	55,124	9,330	4,255	2,681	72	0
10 902-METER READING EXPENSE	967,804	733,644	124,169	56,626	35,685	958	16,722
11 903-CUST RECORDS & COLL EXP	0	0	0	0	0	0	0
12 OX904	18,196	14,313	2,423	1,105	10	19	326
13 904-UNCOLLECTIBLE ACCOUNTS	1,246,553	946,685	160,227	73,069	45,239	1,236	20,097
14 905-MISC CUST ACCTS EXP							
15 TOTAL CUSTOMER ACCTS LABOR							

DEVELOPMENT OF LABOR ALLOCATION FACTOR CONTINUED							
ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 CUSTOMER SERVICE & INFO LABOR							
OX907	0	0	0	0	0	0	0
OX908	141,597	113,416	19,196	8,754	83	148	0
OX909	38,343	30,712	5,198	2,370	22	40	0
OX910	25,110	20,113	3,404	1,552	15	26	0
6 TOTAL CUST SERV & INFO LABOR	205,050	164,241	27,798	12,677	120	214	0
7							
8 SALES EXPENSES							
OX911	0	0	0	0	0	0	0
OX912	0	0	0	0	0	0	0
OX913	0	0	0	0	0	0	0
OX914	0	0	0	0	0	0	0
13 TOTAL SALES EXPENSES	0	0	0	0	0	0	0
14							
15 ADMINISTRATIVE & GENERAL LABOR							
16 OPERATION							
OX920	2,146,264	1,280,609	177,306	449,994	167,579	23,070	47,705
OX921	0	0	0	0	0	0	0
OX922	0	0	0	0	0	0	0
TOTPS	0	0	0	0	0	0	0
TOTPS	0	0	0	0	0	0	0
TOTPS	65,443	36,272	4,582	16,659	6,226	906	798
TOTPS	87,829	48,679	6,149	22,357	8,356	1,215	1,072
TOTPS	0	0	0	0	0	0	0
TOTPS	0	0	0	0	0	0	0
TOTPS	0	0	0	0	0	0	0
TOTPS	24,959	13,834	1,748	6,353	2,375	345	305
TOTPS	0	0	0	0	0	0	0
TOTPS	0	0	0	0	0	0	0
30 TOTAL OPERATION LABOR	2,324,495	1,379,394	189,785	495,364	184,536	25,536	49,879
31 MAINTENANCE							
PRODPIS	460,725	236,636	26,919	134,244	56,637	5,505	784
332 xxx-OTHER LABOR	2,785,220	1,616,030	216,704	629,608	241,173	31,041	50,663
333 TOTAL ADMIN & GENERAL LABOR							
34							
35 CAPITALIZED LABOR							
PRODPIS	210,491	108,112	12,298	61,332	25,876	2,515	358
TRANPIS	496,623	255,074	29,017	144,704	61,050	5,933	845
DISTPIS	3,592,871	2,021,336	260,023	888,486	319,331	51,955	51,739
TOTPIS	1,383,136	766,604	96,841	352,085	131,590	19,140	16,876
40 TOTAL CAPITALIZED LABOR	5,683,121	3,151,126	398,179	1,446,607	537,847	79,544	69,818
41							
42 TOT OPER & MAINTENANCE LABOR	13,330,645	7,849,489	1,070,457	2,902,694	1,088,151	148,666	271,188
43							
44							
45							

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (FACTORS)
ALLOCATION FACTORS BY CLASS
PAGE 1 OF 6

ALLOCATION FACTOR TABLE

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1								
2								
1	CAPACITY RELATED							
2	CAPACITY - PRODUCTION RELATED							
3	DEMAND PRODUCTION	259,850	133,463	15,182	75,714	31,943	3,105	442
4								
5								
6	CAPACITY - TRANSMISSION RELATED							
7	DEMAND TRANSMISSION (PEAKING)	259,850	133,463	15,182	75,714	31,943	3,105	442
8	DEMAND TRANSMISSION (WAPA)	259,850	133,463	15,182	75,714	31,943	3,105	442
9								
10								
11								
12	CAPACITY - SUBTRANSMISSION RELATED							
13	DEMAND SUBTRANSMISSION	259,850	133,463	15,182	75,714	31,943	3,105	442
14								
15								
16								
17								
18								
19	CAPACITY - DISTRIBUTION RELATED							
20	DIST - PRI DIST SUBSTATIONS	442,547	249,103	31,751	112,109	40,488	7,921	1,174
21	DIST - PRIMARY OVERHEAD LINES	442,547	249,103	31,751	112,109	40,488	7,921	1,174
22	DIST - PRIMARY UNDERGROUND LINES	442,547	249,103	31,751	112,109	40,488	7,921	1,174
23	DIST - SEC DIST SUBSTATIONS	442,547	249,103	31,751	112,109	40,488	7,921	1,174
24	DIST - SEC OVERHEAD LINES	434,626	249,103	31,751	112,109	40,488	0	1,174
25	DIST - SEC UNDERGROUND LINES	433,451	249,103	31,751	112,109	40,488	0	0
26	DIST - STREET LIGHTING	1	0	0	0	0	0	1
27								
28								
29	CUSTOMER - DIST SERVICE RELATED							
30	DIST - OVERHEAD LINE TRANSFRMRS	434,626	249,103	31,751	112,109	40,488	0	1,174
31	DIST - UNDERGROUND LINE TRANSFRMRS	433,451	249,103	31,751	112,109	40,488	0	0
32	DIST - OVERHEAD SERVICES	442,547	249,103	31,751	112,109	40,488	7,921	1,174
33	DIST - UNDERGROUND SERVICES	441,373	249,103	31,751	112,109	40,488	7,921	0
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ALLOCATION FACTOR TABLE CONTINUED

	1	2	3	4	5	6	7
1							
2							
3	ENERGY RELATED						
4	ENERGY PRODUCTION PWR SUPPLY	EPROD					
5	ENERGY PRODUCTION PWR SUPPLY	EFUEL					
6							
7							
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15							
16	CUSTOMER RELATED - DISTRIBUTION						
17	UNWEIGHTED CUSTOMER BILLS	CUSTAVG					
18	WEIGHTED CUSTOMER BILLS	CUST					
19	BILLING AND COLLECTION	CBILLCOL					
20	CUSTOMER INFORMATION	CINFO					
21	METERS	CMETERS					
22	STREET LIGHTING	CLIGHT					
23	METER READING	CMSRDG					
24	MISC SERVICE REVENUES	CMSREV					
25	CUSTOMER DEPOSITS	DDEPOS					
26							
27							
28							
29	REVENUE RELATED						
30	904-UNCOLLECTIBLE ACCOUNT EXP	EXP904					
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STREET LIGHTING
7

INTERRUPTIBLE
6

LPS
5

LGS
4

SGS
3

RESIDENTIAL
2

TOTAL
1

ALLOC

442

3,105

31,943

75,714

15,182

133,463

259,850

EPROD

EFUEL

3,105

31,506,409

3,145,228

34

102

3,800

6,030

13,223

78,125

99,317

CUSTAVG

CBILLCOL

CINFO

CMETERS

CLIGHT

1,781

1,781

1,781

0

0

0

1

CMSRDG

CMSREV

DDEPOS

0

0

191

950

8,753

225

155,680

1,054,918

1,220,716

1,719,187

3,611,478

1,341,984

0

0

562,438

2,481,085

16,938,518

48,286,092

10,569,832

80,442,482

159,280,447

EXP904

562,438

2,481,085

16,938,518

48,286,092

562,438

2,481,085

16,938,518

48,286,092

10,569,832

80,442,482

159,280,447

EXP904

562,438

2,481,085

16,938,518

48,286,092

ALLOCATION FACTOR TABLE CONTINUED

1	2	3	4	5	6	7
ALLOCATION FACTOR	TOTAL	RESIDENTIAL	SGS	LGS	LPS	STREET LIGHTING
1	1	2	3	4	5	7
INTERNALLY DEVELOPED						
3 PLANT IN SERVICE EXCL GENERAL	508,416,989	281,025,732	35,369,469	130,234,432	48,669,108	6,023,121
4 TOTAL PLANT IN SERVICE	537,367,989	297,836,666	37,623,965	136,789,928	51,124,641	6,556,439
5 PRODUCTION PLANT IN SERVICE	27,718,071	14,236,470	1,619,502	8,076,377	3,407,390	47,168
6 TRANSMISSION PLANT IN SERVICE	74,523,928	38,276,749	4,354,259	21,714,474	9,161,247	126,817
7 DISTRIBUTION PLANT IN SERVICE	406,174,990	228,512,514	29,395,708	100,443,582	36,100,471	5,849,136
8 DISTRIBUTION SUBSTATIONS	49,687,180	27,968,168	3,564,910	12,587,067	889,386	131,845
9 TOTAL TRANSMISSION & DISTRIBUTION	480,698,918	266,789,262	33,749,967	122,158,056	45,261,718	5,975,953
10 GENERAL PLANT	22,402,487	13,191,266	1,798,930	4,878,050	1,828,666	455,739
11 BASE RATE SALES REVENUE	159,280,447	80,442,482	10,569,832	48,286,092	16,938,518	562,438
12 TOTAL O&M LESS FUEL & PP& WAPA	19,425,615	12,052,010	1,748,315	3,526,411	1,346,938	577,329
13 ACCOUNT 360	777,627	437,714	55,792	196,993	71,144	2,063
14 ACCOUNT 361	5,584,527	3,143,447	400,674	1,414,707	510,920	14,819
15 ACCOUNT 362	49,687,180	27,968,168	3,564,910	12,587,067	4,545,804	131,845
16 ACCOUNT 364	94,295,758	53,077,667	6,765,445	23,887,590	8,626,975	250,215
17 ACCOUNT 365	79,531,590	44,767,139	5,706,159	20,147,439	7,276,224	211,038
18 ACCOUNT 366	15,762,500	9,058,659	1,154,645	4,076,847	1,472,349	0
19 ACCOUNT 367	49,733,008	28,581,404	3,643,075	12,863,053	4,645,476	0
20 ACCOUNT 368	83,901,339	47,226,805	6,019,676	21,254,411	7,676,005	222,633
21 ACCOUNT 369	13,891,158	7,819,124	996,650	3,518,995	1,270,881	36,860
22 ACCOUNT 370	8,030,640	6,432,386	1,088,683	496,480	4,693	0
23 ACCOUNT 371	0	0	0	0	0	0
24 ACCOUNT 373	4,979,662	0	0	0	0	4,979,662
25 DISTRIBUTION SUBSTATIONS	49,687,180	27,968,168	3,564,910	12,587,067	4,545,804	131,845
26 DISTRIBUTION OVERHEAD LINES	79,531,590	44,767,139	5,706,159	20,147,439	7,276,224	211,038
27 DISTRIBUTION UNDERGROUND LINES	65,495,508	37,640,063	4,797,720	16,939,900	6,117,825	0

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ALLOCATION FACTOR TABLE CONTINUED

1 INTERNALLY DEVELOPED CONTINUED

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
3 ACCOUNT 546	OX546	10,003	5,138	584	2,915	1,230	120	17
4 ACCOUNT 547	OX547	7,621,714	3,757,105	433,355	2,236,377	1,034,146	146,141	14,589
5 ACCOUNT 548	OX548	37,023	19,015	2,163	10,787	4,551	442	63
6 ACCOUNT 549	OX549	116,207	59,686	6,790	33,860	14,285	1,388	198
7 ACCOUNT 550	OX550	0	0	0	0	0	0	0
8 ACCOUNT 550.1	OX5501	0	0	0	0	0	0	0
9 LABOR ACCOUNT 547-550.1	LAB54750	112,921	58,161	6,300	32,999	13,916	1,353	192
10 ACCOUNT 551	MX551	0	0	0	0	0	0	0
11 ACCOUNT 552	MX552	0	0	0	0	0	0	0
12 ACCOUNT 553	MX553	127,265	65,366	7,436	37,082	15,645	1,521	217
13 ACCOUNT 554	MX554	65,564	33,675	3,831	19,104	8,060	783	112
14 ACCOUNT 554.1	MX5541	0	0	0	0	0	0	0
15 LABOR ACCOUNT 552-554.1	LAB55254	112,921	57,998	6,598	32,902	13,881	1,349	192
16 ACCOUNT 555	OX555	95,598,854	47,125,215	5,435,559	28,050,794	12,971,251	1,833,047	182,990
17 ACCOUNT 556	OX556	3,220	1,654	188	938	396	38	5
18 ACCOUNT 557	OX557	224,398	115,255	13,111	65,384	27,585	2,681	382
19 ACCOUNT 560	OX560	0	0	0	0	0	0	0
20 ACCOUNT 561	OX561	6,095	3,130	356	1,776	749	73	10
21 ACCOUNT 562	OX562	33,073	16,987	1,932	9,637	4,066	395	56
22 ACCOUNT 563	OX563	26,672	13,699	1,558	7,772	3,279	319	45
23 ACCOUNT 564	OX564	15,619	8,022	913	4,551	1,920	187	27
24 ACCOUNT 565	OX565	8,082,997	3,984,493	459,583	2,371,728	1,096,735	154,986	15,472
25 ACCOUNT 566	OX566	100,085	51,405	5,848	29,162	12,303	1,196	170
26 ACCOUNT 567	OX567	27,940	14,350	1,632	8,141	3,435	334	48
27 LABOR ACCOUNT 561-567	LAB56167	88,878	45,649	5,193	25,897	10,926	1,062	151
28 ACCOUNT 568	MX568	0	0	0	0	0	0	0
29 ACCOUNT 569	MX569	0	0	0	0	0	0	0
30 ACCOUNT 570	MX570	22,997	11,811	1,344	6,701	2,827	275	39
31 ACCOUNT 571	MX571	37,340	19,179	2,182	10,880	4,590	446	64
32 ACCOUNT 572	MX572	23	12	1	7	3	0	0
33 ACCOUNT 573	MX573	0	0	0	0	0	0	0
34 LABOR ACCOUNT 569-573	LAB56973	40,889	21,001	2,389	11,914	5,026	489	70
35 ACCOUNT 580	OX580	423,430	273,693	39,837	78,992	25,311	3,177	2,419
36 ACCOUNT 581	OX581	582,583	327,759	42,163	144,068	51,779	8,425	8,389
37 ACCOUNT 582	OX582	74,790	42,098	5,366	18,946	6,842	1,339	198
38 ACCOUNT 583	OX583	499,849	281,357	35,863	126,625	45,730	8,947	1,326
39 ACCOUNT 584	OX584	490,312	281,781	35,917	126,815	45,799	0	0
40 ACCOUNT 585	OX585	1,894	0	0	0	0	0	1,894
41 ACCOUNT 586	OX586	778,885	623,872	105,590	48,153	455	815	0

STREET
LIGHTING
7

INTERRUPTIBLE
6

LPS
5

LGS
4

SGS
3

RESIDENTIAL
2

TOTAL
1

ALOC

ALLOCATION FACTOR TABLE CONTINUED

1 INTERNALLY DEVELOPED CONTINUED

2	OX587	35,827	20,156	2,593	8,860	3,184	518	516
3	ACCOUNT 587	1,097,758	617,595	79,447	271,466	97,568	15,874	15,808
4	ACCOUNT 588	83,088	46,745	6,013	20,547	7,385	1,202	1,197
5	ACCOUNT 589	1,876,456	1,083,614	157,725	312,749	100,214	12,579	9,576
6	LABOR ACCOUNTS 581-589	0	0	0	0	0	0	0
7	ACCOUNT 590	0	0	0	0	0	0	0
8	ACCOUNT 591	0	0	0	0	0	0	0
9	ACCOUNT 592	734,286	413,319	52,683	186,014	67,179	13,144	1,948
10	ACCOUNT 593	763,922	430,000	54,809	193,522	69,890	13,674	2,027
11	ACCOUNT 594	108,736	62,490	7,965	28,124	10,157	0	0
12	ACCOUNT 595	104,881	59,036	7,525	26,569	9,595	1,877	278
13	ACCOUNT 596	315,846	0	0	0	0	0	315,846
14	ACCOUNT 597	614	492	83	38	0	1	0
15	ACCOUNT 598	15,555	8,751	1,126	3,847	1,383	225	224
16	LABOR ACCOUNTS 591-598	1,187,029	603,111	76,878	271,399	98,013	17,635	119,993
17	ACCOUNT 901	260,950	198,177	33,541	15,296	9,470	259	4,207
18	ACCOUNT 902	915,625	706,293	119,540	54,515	34,354	922	0
19	ACCOUNT 903	3,070,993	2,327,967	394,009	179,683	113,233	3,039	53,063
20	ACCOUNT 904	764,063	429,859	55,297	188,946	67,909	11,049	11,003
21	ACCOUNT 905	39,451	31,033	5,252	2,395	23	41	707
22	LABOR ACCOUNTS 902-905	1,057,462	803,081	135,922	61,985	38,376	1,049	17,049
23	ACCOUNT 907	14,499	8,157	1,049	3,585	1,289	210	209
24	ACCOUNT 908	94,671	75,830	12,834	5,853	55	99	0
25	ACCOUNT 909	49,423	39,587	6,700	3,055	29	52	0
26	ACCOUNT 910	31,336	25,100	4,248	1,937	18	33	0
27	LABOR ACCOUNTS 908-910	205,050	164,241	27,798	12,677	120	214	0
28	ACCOUNT 911	0	0	0	0	0	0	0
29	ACCOUNT 912	0	0	0	0	0	0	0
30	ACCOUNT 913	0	0	0	0	0	0	0
31	ACCOUNT 914	0	0	0	0	0	0	0
32	LABOR ACCOUNTS 912-917	0	0	0	0	0	0	0
33	ACCOUNT 920	2,958,987	1,765,536	244,447	620,393	231,037	31,806	65,769
34	ACCOUNT 921	0	0	0	0	0	0	0
35	ACCOUNT 922	0	0	0	0	0	0	0
36	ACCOUNT 923	0	0	0	0	0	0	0
37	ACCOUNT 924	0	0	0	0	0	0	0
38	ACCOUNT 925	511,137	304,980	42,226	107,167	39,909	5,494	11,361
39	ACCOUNT 926	1,990,376	1,187,596	164,428	417,310	155,408	21,394	44,240
40	ACCOUNT 927	0	0	0	0	0	0	0
41	ACCOUNT 928	197,223	109,311	13,809	50,204	18,764	2,729	2,406
42	ACCOUNT 929	(86,769)	(48,092)	(6,075)	(22,088)	(8,255)	(1,201)	(1,059)

ALLOCATION FACTOR TABLE CONTINUED

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 INTERNALLY DEVELOPED CONTINUED								
2								
3 ACCOUNT 930	OX930	350,073	194,028	24,510	89,113	33,306	4,844	4,271
4 ACCOUNT 931	OX931	54,001	29,930	3,781	13,746	5,138	747	659
5 ACCOUNT 933	OX933	0	0	0	0	0	0	0
6 ACCOUNT 935	OX935	20,026	11,792	1,608	4,361	1,635	223	407
7 LABOR ACCOUNTS 921-935	LAB92135	638,956	335,421	39,398	179,614	73,594	7,971	2,959
8 LABOR EXCLUDING A&G	LABXAG	9,162,289	5,466,855	756,912	1,921,001	715,388	98,484	203,649
9 LABOR	LABOR	13,330,645	7,849,489	1,070,457	2,902,694	1,088,151	148,666	271,188
10 ACCOUNTS 581-589	OX58189	3,644,986	2,241,363	312,952	765,480	258,743	37,119	29,329
11 ACCOUNTS 591-598	MX59198	2,043,840	974,088	124,191	438,113	158,204	28,920	320,323
12								
13								
14								
15								
16 O&M EXP LESS FUEL, PP, & WAPA								
17								
18 RESIDENTIAL		12,052,010	12,052,010	0	0	0	0	0
19 SGS		1,748,315	0	1,748,315	0	0	0	0
20 LGS		3,526,411	0	0	3,526,411	0	0	0
21 LPS		1,346,938	0	0	0	1,346,938	0	0
22 INTERRUPTIBLE		174,612	0	0	0	0	174,612	0
23 STREET LIGHTING		577,329	0	0	0	0	0	577,329
24								
25								
26								
27								
28 REVENUES FROM SALES								
29								
30 SALES OF ELECTRICITY REVENUES		159,280,447	80,442,482	10,569,832	48,286,092	16,938,518	2,481,085	562,438
31								
32								
33								
34 REVENUE REQUIREMENTS INPUTS								
35								
36 CLAIMED RATE OF RETURN		6.88%	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%
37 AVERAGE ANNUAL CUSTOMERS		89,746	78,125	7,778	2,010	19	34	1,781
38 ANNUAL KWH SALES		1,643,153,389	809,986,329	93,426,398	482,137,131	222,949,894	31,506,409	3,145,228
39 TOTAL PROPOSED SALES REVENUES		172,780,447	86,680,496	11,543,449	52,733,859	18,498,772	2,709,624	614,247
40 PROPOSED SALES REVENUES NON-MARGIN		111,303,565	54,866,812	6,328,497	32,658,900	15,102,131	2,134,174	213,051
41 PROPOSED SALES REVENUES MARGIN		61,476,882	31,813,683	5,214,952	20,074,959	3,396,641	575,450	401,196
42								
43								
44								
45								

RATIO TABLE

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 CAPACITY RELATED								
2 <u>CAPACITY - PRODUCTION RELATED</u>								
3 DEMAND PRODUCTION	DPROD	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
4								
5								
6 <u>CAPACITY - TRANSMISSION RELATED</u>								
7 DEMAND TRANSMISSION (PEAKING)	DTRAN	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
8 DEMAND TRANSMISSION (WAPA)	DTRAN2	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
9								
10								
11								
12 <u>CAPACITY - SUBTRANSMISSION RELATED</u>								
13 DEMAND SUBTRANSMISSION	DTRANSUB	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
14								
15								
16								
17								
18								
19 <u>CAPACITY - DISTRIBUTION RELATED</u>								
20 DIST - PRI DIST SUBSTATIONS	DDISPUB	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
21 DIST - PRIMARY OVERHEAD LINES	DDISTPOL	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
22 DIST - PRIMARY UNDERGROUND LINES	DDISTPUL	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
23 DIST - SEC DIST SUBSTATIONS	DDISSUB	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
24 DIST - SEC OVERHEAD LINES	DDISTSOL	1.00000	0.57314	0.07305	0.25794	0.09316	0.00000	0.00270
25 DIST - SEC UNDERGROUND LINES	DDISTSUL	1.00000	0.57470	0.07325	0.25864	0.09341	0.00000	0.00000
26 DIST - STREET LIGHTING	DDISTLTG	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
27								
28								
29 <u>CUSTOMER - DIST SERVICE RELATED</u>								
30 DIST - OVERHEAD LINE TRANSFRMRS	DDISTSOT	1.00000	0.57314	0.07305	0.25794	0.09316	0.00000	0.00270
31 DIST - UNDERGROUND LINE TRANSFRMRS	DDISTSUT	1.00000	0.57470	0.07325	0.25864	0.09341	0.00000	0.00000
32 DIST - OVERHEAD SERVICES	DDISTSOS	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
33 DIST - UNDERGROUND SERVICES	DDISTSUS	1.00000	0.56438	0.07194	0.25400	0.09173	0.01795	0.00000
34								
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RATIO TABLE CONTINUED

	1	2	3	4	5	6	7
	TOTAL	RESIDENTIAL	SGS	LGS	LPS	INTERRUPTIBLE	STREET LIGHTING
ALOC	1	2	3	4	5	6	7
ENERGY RELATED							
3 ENERGY PRODUCTION PWR SUPPLY	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
4 ENERGY PRODUCTION PWR SUPPLY	1.00000	0.49295	0.05686	0.29342	0.13568	0.01917	0.00191
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16 CUSTOMER RELATED - DISTRIBUTION							
17 UNWEIGHTED CUSTOMER BILLS	1.00000	0.87050	0.08667	0.02240	0.00021	0.00038	0.01984
18 WEIGHTED CUSTOMER BILLS	1.00000	0.78662	0.13314	0.06071	0.00057	0.00103	0.01793
19 BILLING AND COLLECTION	1.00000	0.75805	0.12830	0.05851	0.03687	0.00099	0.01728
20 CUSTOMER INFORMATION	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
21 METERS	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
22 STREET LIGHTING	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
23 METER READING	1.00000	0.77138	0.13056	0.05954	0.00752	0.00101	0.00000
24 MISC SERVICE REVENUES	1.00000	0.86418	0.12753	0.00018	0.00717	0.00078	0.00016
25 CUSTOMER DEPOSITS	1.00000	0.47603	0.37159	0.00004	0.05944	0.09290	0.00000
26							
27							
28							
29 REVENUE RELATED							
30 904-UNCOLLECTIBLE ACCOUNT EXP	1.00000	0.50504	0.06636	0.30315	0.10634	0.01558	0.00353
31							
32							
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42							
43							
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45							

RATIO TABLE CONTINUED

1	2	3	4	5	6	7
TOTAL	RESIDENTIAL	SGS	LGS	LPS	INTERRUPTIBLE	STREET LIGHTING
1	2	3	4	5	6	7
ALOC						
1						
2						
3	PLANT IN SERVICE EXCL GENERAL	PISXGENL				
4	TOTAL PLANT IN SERVICE	TOTPLS	0.55275	0.06957	0.25616	0.01396
5	PRODUCTION PLANT IN SERVICE	PRODPIS	0.55425	0.07002	0.25456	0.01384
6	TRANSMISSION PLANT IN SERVICE	TRANPLS	0.51362	0.05843	0.29138	0.01195
7	DISTRIBUTION PLANT IN SERVICE	DISTPLS	0.51362	0.05843	0.29138	0.01195
8	DISTRIBUTION SUBSTATIONS	DISTSUB	0.56260	0.07237	0.24729	0.01446
9	TOTAL TRANSMISSION & DISTRIBUTION	TDPLT	0.56288	0.07175	0.25333	0.01790
10	GENERAL PLANT	GENPLS	0.55500	0.07021	0.25413	0.01407
11	BASE RATE SALES REVENUE	SALESREV	0.58883	0.08030	0.21775	0.01115
12	TOTAL O&M LESS FUEL & PP& WAPA	OM	0.50504	0.06636	0.30315	0.01558
13	ACCOUNT 360	PLT360	0.62042	0.09000	0.18153	0.00899
14	ACCOUNT 361	PLT361	0.56288	0.07175	0.25333	0.02972
15	ACCOUNT 362	PLT362	0.56288	0.07175	0.25333	0.00265
16	ACCOUNT 364	PLT364	0.56288	0.07175	0.25333	0.00265
17	ACCOUNT 365	PLT365	0.56288	0.07175	0.25333	0.00265
18	ACCOUNT 366	PLT366	0.57470	0.07325	0.25864	0.00000
19	ACCOUNT 367	PLT367	0.57470	0.07325	0.25864	0.00000
20	ACCOUNT 368	PLT368	0.56288	0.07175	0.25333	0.00000
21	ACCOUNT 369	PLT369	0.56288	0.07175	0.25333	0.00000
22	ACCOUNT 370	PLT370	0.80098	0.13557	0.06182	0.00000
23	ACCOUNT 371	PLT371	0.00000	0.00000	0.00000	0.00000
24	ACCOUNT 373	PLT373	0.00000	0.00000	0.00000	0.00000
25	DISTRIBUTION SUBSTATIONS	PLTDSUB	0.56288	0.07175	0.25333	0.00265
26	DISTRIBUTION OVERHEAD LINES	PLTDOHL	0.56288	0.07175	0.25333	0.00265
27	DISTRIBUTION UNDERGROUND LINES	PLTDUGL	0.57470	0.07325	0.25864	0.00000

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RATIO TABLE CONTINUED

1 INTERNALLY DEVELOPED CONTINUED

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
3 ACCOUNT 546	OX546	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
4 ACCOUNT 547	OX547	1.00000	0.49295	0.05686	0.29342	0.13568	0.01917	0.00191
5 ACCOUNT 548	OX548	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
6 ACCOUNT 549	OX549	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
7 ACCOUNT 550	OX550	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8 ACCOUNT 550.1	OX5501	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9 LABOR ACCOUNT 547-550.1	LAB54750	1.00000	0.51506	0.05579	0.29223	0.12324	0.01198	0.00170
10 ACCOUNT 551	MX551	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11 ACCOUNT 552	MX552	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12 ACCOUNT 553	MX553	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
13 ACCOUNT 554	MX554	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
14 ACCOUNT 554.1	MX5541	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
15 LABOR ACCOUNT 552-554.1	LAB55254	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
16 ACCOUNT 555	OX555	1.00000	0.49295	0.05686	0.29342	0.13568	0.01917	0.00191
17 ACCOUNT 556	OX556	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
18 ACCOUNT 557	OX557	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
19 ACCOUNT 560	OX560	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20 ACCOUNT 561	OX561	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
21 ACCOUNT 562	OX562	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
22 ACCOUNT 563	OX563	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
23 ACCOUNT 564	OX564	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
24 ACCOUNT 565	OX565	1.00000	0.49295	0.05686	0.29342	0.13568	0.01917	0.00191
25 ACCOUNT 566	OX566	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
26 ACCOUNT 567	OX567	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
27 LABOR ACCOUNT 561-567	LAB56167	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
28 ACCOUNT 568	MX568	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
29 ACCOUNT 569	MX569	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30 ACCOUNT 570	MX570	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
31 ACCOUNT 571	MX571	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
32 ACCOUNT 572	MX572	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
33 ACCOUNT 573	MX573	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
34 LABOR ACCOUNT 569-573	LAB56973	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
35 ACCOUNT 580	OX580	1.00000	0.64637	0.09408	0.18655	0.05978	0.00750	0.00571
36 ACCOUNT 581	OX581	1.00000	0.56260	0.07237	0.24729	0.08888	0.01446	0.01440
37 ACCOUNT 582	OX582	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
38 ACCOUNT 583	OX583	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
39 ACCOUNT 584	OX584	1.00000	0.57470	0.07325	0.25864	0.09341	0.00000	0.00000
40 ACCOUNT 585	OX585	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
41 ACCOUNT 586	OX586	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000

RATIO TABLE CONTINUED

1	2	3	4	5	6	7
TOTAL	RESIDENTIAL	SGS	LGS	LPS	INTERRUPTIBLE	STREET LIGHTING
1	2	3	4	5	6	7
ALLOC						
1 INTERNALLY DEVELOPED CONTINUED						
2						
3 ACCOUNT 930	0.55425	0.07002	0.25456	0.09514	0.01384	0.01220
4 ACCOUNT 931	0.55425	0.07002	0.25456	0.09514	0.01384	0.01220
5 ACCOUNT 933	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
6 ACCOUNT 935	0.58883	0.08030	0.21775	0.08163	0.01115	0.02034
7 LABOR ACCOUNTS 921-935	0.52495	0.06166	0.28111	0.11518	0.01248	0.00463
8 LABOR EXCLUDING A&G	0.59667	0.08261	0.20966	0.07808	0.01075	0.02223
9 LABOR	0.58883	0.08030	0.21775	0.08163	0.01115	0.02034
10 ACCOUNTS 581-589	0.61492	0.08586	0.21001	0.07099	0.01018	0.00805
11 ACCOUNTS 591-598	0.47660	0.06076	0.21436	0.07741	0.01415	0.15673
12						
13						
14						
15						
16 O&M EXP LESS FUEL, PP, & WAPA						
17						
18 RESIDENTIAL	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19 SGS	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000
20 LGS	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000
21 LPS	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000
22 INTERRUPTIBLE	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
23 STREET LIGHTING	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
24						
25						
26						
27						
28						
29 REVENUES FROM SALES						
30 SALES OF ELECTRICITY REVENUES	0.50504	0.06636	0.30315	0.10634	0.01558	0.00353
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Schedule H

UNS Electric, Inc.
Summary of Revenues by Customer Classifications
Adjusted Present Rates And Proposed Rates
Test Year Ended December 31, 2008
(Thousands of Dollars)

Line No.	Class of Service	Test Year Present Net Revenue	Adjusted Present Net Revenue	Proposed Net Revenue	Proposed Net Increase	Proposed Percent Increase to Test Year Revenues (a)	Proposed Percent Increase to Adjusted Test Year Revenues (a)	Line No.
1	Residential Service	\$85,575,371	\$74,148,720	\$80,978,766	\$6,830,046	7.98%	9.21%	1
2	Residential Cares	6,547,952	6,293,761	5,701,729	(\$592,032)	-9.04%	-9.41%	2
3	Small General Service	11,642,400	10,569,832	11,543,449	\$973,617	8.36%	9.21%	3
4	Large General Service	55,358,044	48,286,092	52,733,859	\$4,447,767	8.03%	9.21%	4
5	Large Power Service	19,626,605	16,938,518	18,498,772	\$1,560,254	7.95%	9.21%	5
6	Interruptible Service	2,271,247	2,481,084	2,709,624	\$228,540	10.06%	9.21%	6
7	Lighting DD	617,297	562,438	614,247	\$51,809	8.39%	9.21%	7
8	Subtotal	181,638,915	159,280,446	172,780,447	13,500,000	7.43%	8.48%	8
9	Other Operating Revenue	\$1,645,619	\$1,645,619	1,645,619	\$0	0.00%	0.00%	9
10	Total	\$183,284,534	\$160,926,065	\$174,426,065	\$13,500,000	7.37%	8.39%	10

Supporting Schedules (a) H-2 (P2) Recap Schedules A-1 Recap Schedules A-1

UNIS Electric, Inc.
Comparisons of Revenues by Rate Schedules
Present And Proposed Rates
Test Year Ended December 31, 2008

Line No.	Class of Service	Rate Schedule Present	Proposed	Actual			Test Year End Sales Adjustments	Adjusted			Line No.
				kWh Sales	Average Number of Customers	Average kWh per Customer		kWh Sales	Average Number of Customers	Average Sales per Customer	
1	Residential Service	RES-01	RES-01	757,895,043	71,505	10,599	(17,627,814)	740,267,229	70,602	10,485	1
2	Residential Cares	CARES	CARES	63,995,155	6,869	9,317	5,725,945	69,721,100	7,522	9,269	2
3	Small General Service	SGS-10	SGS-10	92,855,781	7,711	12,042	570,617	93,426,398	7,778	12,012	3
4	Large General Service	LGS	LGS	498,893,145	2,069	241,167	(19,755,862)	479,137,283	2,000	239,569	4
5	Large General Service TOU	LGS-TOU	LGS-TOU	3,045,144	11	287,730	(45,296)	2,999,848	10	299,985	5
6	Large Power Service <69KV	LPS	LPS	60,317,878	9	6,520,852	3,946,904	64,264,781	11	5,842,253	6
7	Large Power Service >69KV	LPS	LPS	158,685,112	8	19,835,639	0	158,685,112	8	19,835,639	7
8	Interruptible Power Service	IPS	IPS	24,484,630	25	989,278	7,021,780	31,506,409	34	926,659	8
9	Lighting	LTG	LTG	3,145,228	1,781	1,766	0	3,145,228	1,781	1,766	9
10	Total Electric Retail Service			<u>1,663,317,115</u>	<u>89,986</u>	<u>18,484</u>	<u>(20,163,726)</u>	<u>1,643,153,389</u>	<u>89,746</u>	<u>18,309</u>	10

UNIS Electric, Inc.
Comparisons of Revenues by Rate Schedules
Present And Proposed Rates
Test Year Ended December 31, 2008

Line No.	Class of Service	Test Year Booked Revenue	Test Year Revenue Annualization Adjustment	Test Year End Adjustments ⁽¹⁾	Adjusted Net Revenue	Proposed TY Delivery Charge Revenue	Proposed Increase Delivery \$	%	Proposed Base Power Supply Revenue	Proposed TY Total Revenue Requirement	Line No.
1	Residential Service	\$85,575,371	\$3,770,258	(\$15,196,909)	\$74,148,720	\$18,648,686	\$6,949,229	37.26%	\$55,380,872	\$80,978,766	1
1	Residential Cares	6,547,952	\$365,783	(\$619,974)	\$6,293,761	\$1,066,561	-361,046	-33.85%	4,996,214	\$5,701,729	1
2	Small General Service	11,642,400	\$510,373	(\$1,582,941)	\$10,569,832	3,776,052	980,063	25.95%	6,787,334	11,543,449	2
3	Large General Service	55,025,876	\$4,554,237	(\$11,587,760)	\$47,992,353	17,307,444	4,285,715	24.76%	30,820,985	52,414,143	3
4	Large General Service TOU	332,168	\$13,217	(\$51,646)	\$293,739	101,622	25,125	24.72%	192,968	319,716	4
5	Large Power Service <69KV	6,110,689	\$446,472	(\$820,509)	\$5,736,652	2,507,990	458,138	18.27%	3,283,095	6,249,223	5
6	Large Power Service >69KV	13,515,916	\$940,040	(\$3,254,091)	\$11,201,866	3,228,525	913,277	28.28%	8,106,746	12,249,549	6
7	Interruptible Power Service	2,271,247	\$132,056	\$77,782	\$2,481,084	827,912	204,720	24.73%	1,676,992	2,709,624	7
8	Lighting	617,297	\$1,019	(\$55,878)	\$562,438	511,110	44,793	8.76%	58,344	614,247	8
9	Total Electric Service	<u>\$181,638,915</u>	<u>\$10,733,455</u>	<u>-\$33,091,925</u>	<u>\$159,280,446</u>	<u>\$47,976,882</u>	<u>\$13,500,014</u>	<u>28.14%</u>	<u>\$111,303,550</u>	<u>\$172,780,447</u>	9

⁽¹⁾ Adjustments include Customer Annualization, Weather Normalization, Cares Discount and PPFAC Adjustment

UNS Electric, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-3
Page 1 of 3

	Present Rate	Proposed Rate	Increase	
			\$	%
Residential Service				
Customer Charge	\$7.50	\$8.00	\$0.50	6.67%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.020070	\$0.008815	78.32%
Energy Charge, all additional kWhs	\$0.021269	\$0.030084	\$0.008815	41.45%
Base Power Supply Charge, all kWhs	\$0.077993	\$0.074812	-\$0.003181	-4.08%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%
Residential Service CARES				
Customer Charge	\$7.50	\$3.50	-\$4.00	-53.33%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.011255	\$0.000000	0.00%
Energy Charge, all additional kWhs	\$0.021269	\$0.021269	\$0.000000	0.00%
Base Power Supply Charge, all kWhs	\$0.077993	\$0.071660	-\$0.006333	-8.12%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%
Residential Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	\$0.092183	\$0.159138	\$0.066955	72.63%
Summer Shoulder	\$0.081803	\$0.074812	-\$0.006991	-8.55%
Summer off-peak	\$0.077183	\$0.054158	-\$0.023025	-29.83%
Winter on-peak	\$0.080873	\$0.159138	\$0.078265	96.78%
Winter off-peak	\$0.065873	\$0.041894	-\$0.023979	-36.40%
Small General Service				
Customer Charge	\$12.00	\$12.50	\$0.50	4.17%
Energy Charge 1st 400 kWhs	\$0.022449	\$0.032440	\$0.009991	44.50%
Energy Charge, all additional kWhs	\$0.032463	\$0.042454	\$0.009991	30.78%
Base Power Supply Charge, all kWhs	\$0.075738	\$0.072649	-\$0.003089	-4.08%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%
Small General Service Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	\$0.090348	\$0.136759	\$0.046411	51.37%
Summer Shoulder	\$0.079658	\$0.072649	-\$0.007009	-8.80%
Summer off-peak	\$0.075348	\$0.046759	-\$0.028589	-37.94%
Winter on-peak	\$0.079448	\$0.136759	\$0.057311	72.14%
Winter off-peak	\$0.064448	\$0.038539	-\$0.025909	-40.20%

UNS Electric, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-3
Page 2 of 3

Large General Service

Customer Charge	\$15.50	\$16.00	\$0.50	3.23%
Demand Charge, per kW	\$10.71	\$13.35	\$2.643018	24.68%
Energy Charge (kWhs)	\$0.003254	\$0.004254	\$0.001000	30.73%
Base Power Supply Charge, all kWhs	\$0.067062	\$0.064326	-\$0.002736	-4.08%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%

Large General Service TOU

Customer Charge	\$20.40	\$20.90	\$0.50	2.45%
Demand Charge, per kW	\$10.71	\$13.35	\$2.643018	24.68%
Energy Charge (kWhs)	\$0.003254	\$0.004254	\$0.001000	30.73%
Base Power Supply Charge, all kWhs	\$0.067062	\$0.064326	-\$0.002736	-4.08%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%

Large General Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

Summer on-peak	\$0.082832	\$0.121221	\$0.038389	46.35%
Summer Shoulder	\$0.071452	\$0.064326	-\$0.007126	-9.97%
Summer off-peak	\$0.067832	\$0.046221	-\$0.021611	-31.86%
Winter on-peak	\$0.071072	\$0.121221	\$0.050149	70.56%
Winter off-peak	\$0.056072	\$0.032503	-\$0.023569	-42.03%

Large Power Service (<69KV)

Customer Charge	\$365.00	\$372.00	\$7.00	1.92%
Demand Charge, per kW	\$17.90	\$21.22	\$3.326211	18.59%
Energy Charge (kWhs)	\$0.000000	(\$0.000000)	\$0.000000	0.00%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.051087	-\$0.002173	-4.08%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%

Large Power Service (>69KV)

Customer Charge	\$400.00	\$407.00	\$7.00	1.75%
Demand Charge, per kW	\$11.61	\$14.93	\$3.320254	0.00%
Energy Charge (kWhs)	\$0.000000	(\$0.000000)	\$0.000000	0.00%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.051087	-\$0.002173	-4.08%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	100.00%

Large Power Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

Summer on-peak	\$0.070170	\$0.099047	\$0.028877	41.15%
Summer Shoulder	\$0.058180	\$0.051087	-\$0.007093	-12.19%
Summer off-peak	\$0.055170	\$0.039047	-\$0.016123	-29.22%
Winter on-peak	\$0.058170	\$0.099047	\$0.040877	70.27%
Winter off-peak	\$0.043170	\$0.027033	-\$0.016137	-37.38%

UNS Electric, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

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Page 3 of 3

Interruptible Power Service

Customer Charge	\$15.50	\$16.00	\$0.50	3.23%
Demand Charge, per kW	\$3.40	\$4.66	\$1.26	37.17%
Energy Charge (kWhs)	\$0.014800	\$0.017100	\$0.00	15.54%
Base Power Supply Charge, all kWhs	\$0.055491	\$0.053227	\$0.00	-4.08%
PPFAC	\$0.014746	\$0.000000	-\$0.01	-100.00%

Interruptible Power Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

Summer on-peak	\$0.071861	\$0.101911	\$0.030050	41.82%
Summer Shoulder	\$0.059691	\$0.053227	-\$0.006464	-10.83%
Summer off-peak	\$0.056861	\$0.041911	-\$0.014950	-26.29%
Winter on-peak	\$0.059411	\$0.101911	\$0.042500	71.54%
Winter off-peak	\$0.044411	\$0.026779	-\$0.017632	-39.70%

Lighting Dusk to Dawn

New 30' Wood Pole (Class 6) - Overhead	\$4.12	\$4.535	\$0.41	10.00%
New 30' Metal or Fiberglass - Overhead	\$8.26	\$9.083	\$0.83	10.00%
Existing Wood Pole - Underground	\$2.06	\$2.268	\$0.21	10.00%
New 30' Wood Pole (Class 6) - Underground	\$6.20	\$6.815	\$0.62	10.00%
New 30' Metal or Fiberglass - Underground	\$10.32	\$11.350	\$1.03	10.00%
Wattage, per Watt	\$0.046577	\$0.050422	\$0.003845	8.26%
Lighting Base Power Supply Charge, per Watt	\$0.007818	\$0.007499	\$0.00	100.00%

UNS Electric, Inc.
Typical Bill Comparison
Present (Prior to June 1, 2009 PPFAC Rate Change) and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-4
Page 1 of 6

Residential Service	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$7.50	\$8.00		
Energy Charge 1st 400 kWhs	\$0.011255	\$0.020070		
Energy Charge, all additional kWhs	\$0.021269	\$0.030084		
Base Power Supply Charge, all kWhs	\$0.077993	\$0.074812		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$7.50	\$8.00	\$0.50	6.67%
50	\$12.70	\$12.74	\$0.04	0.35%
100	\$17.90	\$17.49	(\$0.41)	-2.30%
200	\$28.30	\$26.98	(\$1.32)	-4.67%
400	\$49.10	\$45.95	(\$3.14)	-6.40%
600	\$71.90	\$66.93	(\$4.97)	-6.91%
800	\$94.70	\$87.91	(\$6.79)	-7.17%
1,000	\$117.50	\$108.89	(\$8.61)	-7.33%
2,000	\$231.51	\$213.79	(\$17.72)	-7.66%
2,500	\$288.51	\$266.23	(\$22.28)	-7.72%
5,000	\$573.53	\$528.47	(\$45.06)	-7.86%
10,000	\$1,143.57	\$1,052.95	(\$90.62)	-7.92%

Residential Service CARES	<u>Present</u>	<u>Proposed</u>	Discounts:	
Customer Charge	\$7.50	\$3.50	0-300 kWh	30.0%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.011255	301-600 kWh	20.0%
Energy Charge, all additional kWhs	\$0.021269	\$0.021269	601-1000 kWh	10.0%
Base Power Supply Charge, all kWhs	\$0.077993	\$0.071660	1001+ kWh	\$8.00
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$5.25	\$2.45	(\$2.80)	-53.33%
50	\$8.89	\$5.35	(\$3.54)	-39.79%
100	\$12.53	\$8.25	(\$4.28)	-34.12%
200	\$19.81	\$14.06	(\$5.75)	-29.03%
400	\$39.28	\$29.33	(\$9.95)	-25.32%
600	\$57.52	\$44.20	(\$13.32)	-23.15%
800	\$85.23	\$66.45	(\$18.78)	-22.03%
1,000	\$105.75	\$83.18	(\$22.57)	-21.34%
2,000	\$223.51	\$177.35	(\$46.16)	-20.65%
2,500	\$280.51	\$223.82	(\$56.70)	-20.21%
5,000	\$565.53	\$456.14	(\$109.39)	-19.34%
10,000	\$1,135.57	\$920.78	(\$214.79)	-18.91%

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Residential Service Time-of-Use Summer	<u>Present</u>	<u>Proposed</u>	Assume:	
Customer Charge	\$7.50	\$8.00	On Peak Usage:	16.6%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.020070	Shoulder-Peak Usage:	15.4%
Energy Charge, all additional kWhs	\$0.021269	\$0.030084	Off-Peak Usage:	67.9%
Base Power Supply Charge				
On-Peak, all kWhs	\$0.092183	\$0.159138		
Shoulder-Peak, all kWhs	\$0.081803	\$0.074812		
Off-Peak, all kWhs	\$0.077183	\$0.054158		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$7.50	\$8.00	\$0.50	6.67%
50	\$12.82	\$12.74	(\$0.08)	-0.59%
100	\$18.14	\$17.49	(\$0.65)	-3.59%
200	\$28.78	\$26.98	(\$1.80)	-6.26%
400	\$50.06	\$45.95	(\$4.10)	-8.20%
600	\$73.34	\$66.93	(\$6.41)	-8.73%
800	\$96.62	\$87.91	(\$8.71)	-9.01%
1,000	\$119.90	\$108.89	(\$11.01)	-9.18%
2,000	\$236.31	\$213.79	(\$22.52)	-9.53%
2,500	\$294.51	\$266.24	(\$28.27)	-9.60%
5,000	\$585.53	\$528.48	(\$57.05)	-9.74%
10,000	\$1,167.56	\$1,052.96	(\$114.60)	-9.82%

Residential Service Time-of-Use Winter	<u>Present</u>	<u>Proposed</u>	Assume:	
Customer Charge	\$7.50	\$8.00	On Peak Usage:	28.1%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.020070	Off-Peak Usage:	71.9%
Energy Charge, all additional kWhs	\$0.021269	\$0.030084		
Base Power Supply Charge				
On-Peak, all kWhs	\$0.080873	\$0.159138		
Shoulder-Peak, all kWhs				
Off-Peak, all kWhs	\$0.065873	\$0.041894		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$7.50	\$8.00	\$0.50	6.67%
50	\$12.30	\$12.74	\$0.44	3.57%
100	\$17.11	\$17.49	\$0.38	2.22%
200	\$26.72	\$26.98	\$0.26	0.97%
400	\$45.93	\$45.95	\$0.02	0.04%
600	\$67.15	\$66.93	(\$0.22)	-0.33%
800	\$88.37	\$87.91	(\$0.46)	-0.53%
1,000	\$109.59	\$108.89	(\$0.71)	-0.64%
2,000	\$215.69	\$213.78	(\$1.91)	-0.89%
2,500	\$268.74	\$266.23	(\$2.52)	-0.94%
5,000	\$533.99	\$528.46	(\$5.53)	-1.04%
10,000	\$1,064.48	\$1,052.92	(\$11.56)	-1.09%

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Small General Service	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$12.00	\$12.50
Energy Charge 1st 400 kWhs	\$0.022449	\$0.032440
Energy Charge, all additional kWhs	\$0.032463	\$0.042454
Base Power Supply Charge, all kWhs	\$0.075738	\$0.072649
PPFAC	\$0.014746	\$0.000000

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
50	\$17.65	\$17.75	\$0.11	0.61%
100	\$23.29	\$23.01	(\$0.28)	-1.22%
250	\$40.23	\$38.77	(\$1.46)	-3.63%
500	\$69.47	\$66.05	(\$3.42)	-4.93%
1,000	\$130.94	\$123.60	(\$7.34)	-5.61%
2,000	\$253.89	\$238.70	(\$15.19)	-5.98%
3,500	\$438.31	\$411.35	(\$26.96)	-6.15%
5,000	\$622.73	\$584.01	(\$38.72)	-6.22%
10,000	\$1,237.46	\$1,159.52	(\$77.94)	-6.30%
30,000	\$3,696.40	\$3,461.58	(\$234.83)	-6.35%
50,000	\$6,155.34	\$5,763.63	(\$391.72)	-6.36%

Large General Service Delivery Charges	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$15.50	\$16.00
Demand Charge, per kW	\$10.71	\$13.35
Energy Charge (kWhs)	\$0.003254	\$0.004254
Base Power Supply Charge, all kWhs	\$0.067062	\$0.064326
PPFAC	\$0.014746	\$0.000000

Assumes
Load Factor = 55.0%

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
5,000	\$574.18	\$525.19	(\$49.00)	-8.53%
10,000	\$1,132.87	\$1,034.38	(\$98.49)	-8.69%
25,000	\$2,808.92	\$2,561.95	(\$246.98)	-8.79%
50,000	\$5,602.35	\$5,107.89	(\$494.46)	-8.83%
100,000	\$11,189.20	\$10,199.78	(\$989.41)	-8.84%
200,000	\$22,362.89	\$20,383.57	(\$1,979.33)	-8.85%
300,000	\$33,536.59	\$30,567.35	(\$2,969.24)	-8.85%
400,000	\$44,710.29	\$40,751.13	(\$3,959.16)	-8.86%
500,000	\$55,883.98	\$50,934.91	(\$4,949.07)	-8.86%
600,000	\$67,057.68	\$61,118.70	(\$5,938.98)	-8.86%

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Large General Service TOU	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$20.40	\$20.90		
Demand Charge, per kW	\$10.71	\$13.35	Assumes	
Energy Charge (kWhs)	\$0.003254	\$0.004254	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	\$0.067062	\$0.064326		
PPFAC	\$0.014746	\$0.000000		
	<u>Total Bill</u>	<u>Total Bill</u>	<u>Proposed</u>	<u>Proposed</u>
<u>Average Sales per Month</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>Increase</u>
5,000	\$572.42	\$521.77	\$ (50.64)	-8.85%
10,000	\$1,124.43	\$1,022.65	\$ (101.78)	-9.05%
25,000	\$2,780.48	\$2,525.27	\$ (255.21)	-9.18%
50,000	\$5,540.56	\$5,029.65	\$ (510.91)	-9.22%
100,000	\$11,060.72	\$10,038.39	\$ (1,022.33)	-9.24%
200,000	\$22,101.04	\$20,055.89	\$ (2,045.16)	-9.25%
300,000	\$33,141.37	\$30,073.38	\$ (3,067.98)	-9.26%
400,000	\$44,181.69	\$40,090.87	\$ (4,090.81)	-9.26%
500,000	\$55,222.01	\$50,108.37	\$ (5,113.64)	-9.26%
600,000	\$66,262.33	\$60,125.86	\$ (6,136.47)	-9.26%

Assumes maximum peak period demand is 5% lower than maximum demand in non-peak period.

Large Power Service (<69KV)	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$365.00	\$372.00		
Demand Charge, per kW	\$17.90	\$21.22	Assumes	
Energy Charge (kWhs)	\$0.000000	(\$0.000000)	Load Factor =	65.0%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.051087		
PPFAC	\$0.014746	\$0.000000		
	<u>Total Bill</u>	<u>Total Bill</u>	<u>Proposed</u>	<u>Proposed</u>
<u>Average Sales per Month</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>Increase</u>
300,000	\$32,081	\$29,115	\$ (2,966)	-9.24%
450,000	\$47,939	\$43,487	\$ (4,452)	-9.29%
650,000	\$69,083	\$62,649	\$ (6,434)	-9.31%
850,000	\$90,226	\$81,811	\$ (8,416)	-9.33%
950,000	\$100,798	\$91,392	\$ (9,407)	-9.33%
1,500,000	\$158,944	\$144,087	\$ (14,857)	-9.35%
1,750,000	\$185,374	\$168,040	\$ (17,334)	-9.35%
2,000,000	\$211,804	\$191,993	\$ (19,811)	-9.35%
2,500,000	\$264,663	\$239,898	\$ (24,766)	-9.36%

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Large Power Service (>69KV) Delivery Charges				
	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$400.00	\$407.00		
Demand Charge, per kW	\$11.61	\$14.93	Assumes	
Energy Charge (kWhs)	\$0.000000	(\$0.000000)	Load Factor =	70.0%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.051087		
PPFAC	\$0.014746	\$0.000000		
	<u>Total Bill</u>	<u>Total Bill</u>	<u>Proposed</u>	<u>Proposed</u>
<u>Average Sales per Month</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>Increase</u>
			<u>\$</u>	<u>%</u>
300,000	\$27,617.85	\$24,498.42	(\$3,119)	-11.29%
450,000	\$41,226.77	\$36,544.12	(\$4,683)	-11.36%
650,000	\$59,372.00	\$52,605.07	(\$6,767)	-11.40%
850,000	\$77,517.23	\$68,666.01	(\$8,851)	-11.42%
950,000	\$86,589.85	\$76,696.48	(\$9,893)	-11.43%
1,500,000	\$136,489.23	\$120,864.08	(\$15,625)	-11.45%
1,750,000	\$159,170.77	\$140,940.26	(\$18,231)	-11.45%
2,000,000	\$181,852.31	\$161,016.44	(\$20,836)	-11.46%
2,500,000	\$227,215.39	\$201,168.80	(\$26,047)	-11.46%

Interruptible Power Service Delivery Charges				
	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$15.50	\$16.00		
Demand Charge, per kW	\$3.40	\$4.66	50 Assumes	
Energy Charge (kWhs)	\$0.014800	\$0.017100	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	\$0.055491	\$0.053227		
PPFAC	\$0.014746	\$0.000000		
	<u>Total Bill</u>	<u>Total Bill</u>	<u>Proposed</u>	<u>Proposed</u>
<u>Average Sales per Month</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>Increase</u>
			<u>\$</u>	<u>%</u>
10,001	\$950.65	\$835.51	(\$115.14)	-12.11%
15,000	\$1,418.08	\$1,245.14	(\$172.94)	-12.20%
20,000	\$1,885.60	\$1,654.85	(\$230.75)	-12.24%
30,000	\$2,820.66	\$2,474.28	(\$346.38)	-12.28%
50,000	\$4,690.76	\$4,113.13	(\$577.63)	-12.31%
75,000	\$7,028.39	\$6,161.70	(\$866.70)	-12.33%
100,000	\$9,366.02	\$8,210.26	(\$1,155.76)	-12.34%
125,000	\$11,703.66	\$10,258.83	(\$1,444.83)	-12.35%
150,000	\$14,041.29	\$12,307.39	(\$1,733.89)	-12.35%

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	Present	Proposed	Proposed Increase \$	Proposed Increase %
Lighting Dusk to Dawn Delivery Charges	Overhead Service			
New 30' Wood Pole (Class 6)	\$4.12	\$4.54	\$0.41	10.00%
New 30' Metal or Fiberglass	\$8.26	\$9.08	\$0.83	10.00%
	Underground Service			
Existing Wood Pole	\$2.06	\$2.27	\$0.21	10.00%
New 30' Wood Pole (Class 6)	\$6.20	\$6.81	\$0.62	10.00%
New 30' Metal or Fiberglass	\$10.32	\$11.35	\$1.03	10.00%
Per Watt	\$0.046577	\$0.050422	\$0.0038	8.26%
Lighting Base Power Supply Charge, per Watt	\$0.007818	\$0.00750		
PPFAC	\$0.014746	\$0.000000		
100 Watts - Overhead				
Existing Wood Pole	\$4.67	\$5.79	\$1.13	24.15%
New 30' Wood Pole (Class 6)	\$8.79	\$10.33	\$1.54	17.51%
New 30' Metal or Fiberglass	\$12.92	\$14.87	\$1.95	15.11%
100 Watts - Underground				
Existing Wood Pole	\$6.73	\$8.06	\$1.33	19.81%
New 30' Wood Pole (Class 6)	\$10.86	\$12.61	\$1.75	16.08%
New 30' Metal or Fiberglass	\$14.98	\$17.14	\$2.16	14.41%
200 Watts - Overhead				
Existing Wood Pole	\$9.32	\$11.58	\$2.27	24.36%
New 30' Wood Pole (Class 6)	\$13.44	\$16.12	\$2.68	19.95%
New 30' Metal or Fiberglass	\$17.57	\$20.67	\$3.09	17.61%
200 Watts - Underground				
Existing Wood Pole	\$12.94	\$13.85	\$0.91	7.04%
New 30' Wood Pole (Class 6)	\$17.07	\$18.40	\$1.32	7.76%
New 30' Metal or Fiberglass	\$19.63	\$22.93	\$3.30	16.81%
400 Watts - Overhead				
Existing Wood Pole	\$21.76	\$23.17	\$1.41	6.48%
New 30' Wood Pole (Class 6)	\$25.88	\$27.70	\$1.82	7.04%
New 30' Metal or Fiberglass	\$30.02	\$32.25	\$2.24	7.45%
400 Watts - Underground				
Existing Wood Pole	\$23.82	\$25.44	\$1.62	6.79%
New 30' Wood Pole (Class 6)	\$27.95	\$29.98	\$2.03	7.26%
New 30' Metal or Fiberglass	\$32.08	\$34.52	\$2.44	7.61%

RESIDENTIAL SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	4	23,272	7,875	23,272	2.75%	7,875	0.00%
5	9	2,839	19,603	26,111	3.08%	27,477	0.00%
10	14	4,707	54,364	30,819	3.64%	81,841	0.01%
15	19	2,820	48,148	33,639	3.97%	129,989	0.02%
20	24	3,842	82,194	37,480	4.42%	212,183	0.03%
25	29	2,091	57,044	39,571	4.67%	269,227	0.04%
30	34	3,402	106,961	42,972	5.07%	376,187	0.05%
35	39	1,901	70,954	44,873	5.30%	447,142	0.06%
40	44	3,370	139,715	48,244	5.69%	586,857	0.08%
45	49	1,866	88,539	50,110	5.91%	675,396	0.09%
50	54	3,328	171,578	53,438	6.31%	846,974	0.11%
55	99	22,937	1,770,923	76,375	9.01%	2,617,896	0.35%
100	149	27,371	3,402,317	103,746	12.25%	6,020,213	0.81%
150	199	27,750	4,847,682	131,496	15.52%	10,867,896	1.47%
200	249	29,020	6,533,102	160,515	18.95%	17,400,998	2.35%
250	299	29,812	8,214,483	190,328	22.46%	25,615,481	3.46%
300	349	30,980	10,091,281	221,308	26.12%	35,706,762	4.82%
350	399	31,254	11,764,136	252,562	29.81%	47,470,898	6.41%
400	449	31,856	13,592,071	284,417	33.57%	61,062,969	8.25%
450	499	31,678	15,111,742	316,095	37.31%	76,174,711	10.29%
500	549	31,234	16,468,704	347,329	41.00%	92,643,416	12.51%
550	599	30,035	17,356,789	377,364	44.54%	110,000,205	14.86%
600	649	29,183	18,331,128	406,547	47.99%	128,331,333	17.34%
650	699	27,534	18,685,624	434,081	51.24%	147,016,957	19.86%
700	749	26,191	19,088,478	460,273	54.33%	166,105,436	22.44%
750	799	24,847	19,368,319	485,120	57.26%	185,473,755	25.05%
800	849	23,463	19,468,073	508,583	60.03%	204,941,828	27.68%
850	899	22,008	19,376,275	530,591	62.63%	224,318,103	30.30%
900	949	20,538	19,116,807	551,129	65.05%	243,434,910	32.88%
950	999	19,466	19,099,037	570,595	67.35%	262,533,947	35.46%
1,000	1,199	65,831	72,655,332	636,426	75.12%	335,189,279	45.28%
1,200	1,399	51,339	66,991,356	687,766	81.18%	402,180,636	54.33%
1,400	1,599	39,421	59,396,603	727,187	85.83%	461,577,239	62.35%
1,600	1,799	29,879	51,030,077	757,066	89.36%	512,607,316	69.25%
1,800	1,999	22,573	43,108,338	779,639	92.02%	555,715,654	75.07%
2,000	2,999	51,726	124,361,908	831,365	98.13%	680,077,561	91.87%
3,000	3,999	11,881	40,416,199	843,246	99.53%	720,493,760	97.33%
4,000	4,999	2,747	12,150,015	845,992	99.85%	732,643,775	98.97%
5,000	5,999	772	4,205,357	846,764	99.95%	736,849,132	99.54%
6,000	9,999	440	3,087,215	847,203	100.00%	739,936,347	99.96%
≥ 10,000		26	330,882	847,229	100.00%	740,267,229	100.00%

Average Customers 70,602
Average kWhs 874
Median kWhs 685

RESIDENTIAL SERVICE CARES

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	4	523	170	523	0.58%	170	0.00%
5	9	64	444	586	0.65%	615	0.00%
10	14	108	1,159	694	0.77%	1,774	0.00%
15	19	64	1,064	758	0.84%	2,838	0.00%
20	24	99	2,090	857	0.95%	4,928	0.01%
25	29	55	1,453	912	1.01%	6,382	0.01%
30	34	116	3,499	1,028	1.14%	9,881	0.01%
35	39	67	2,436	1,095	1.21%	12,317	0.02%
40	44	147	5,882	1,242	1.38%	18,199	0.03%
45	49	78	3,583	1,319	1.46%	21,782	0.03%
50	54	143	7,150	1,462	1.62%	28,932	0.04%
55	59	73	4,114	1,535	1.70%	33,046	0.05%
60	64	163	9,771	1,698	1.88%	42,817	0.06%
65	69	92	6,043	1,790	1.98%	48,860	0.07%
70	74	162	11,285	1,952	2.16%	60,145	0.09%
75	79	100	7,576	2,053	2.27%	67,721	0.10%
80	84	191	15,169	2,244	2.49%	82,891	0.12%
85	89	94	8,022	2,338	2.59%	90,912	0.13%
90	94	211	18,789	2,548	2.82%	109,701	0.16%
95	99	126	12,022	2,675	2.96%	121,724	0.17%
100	149	2,315	283,094	4,990	5.53%	404,817	0.58%
150	199	3,257	556,337	8,246	9.14%	961,154	1.38%
200	249	3,885	850,613	12,131	13.44%	1,811,767	2.60%
250	299	4,411	1,181,304	16,542	18.33%	2,993,071	4.29%
300	349	4,820	1,524,276	21,362	23.67%	4,517,347	6.48%
350	399	4,794	1,751,657	26,156	28.98%	6,269,003	8.99%
400	449	4,741	1,963,181	30,898	34.23%	8,232,184	11.81%
450	499	4,278	1,982,255	35,176	38.97%	10,214,439	14.65%
500	549	4,360	2,232,640	39,536	43.80%	12,447,079	17.85%
550	599	4,070	2,282,951	43,605	48.31%	14,730,029	21.13%
600	699	7,212	4,567,093	50,817	56.30%	19,297,122	27.68%
700	799	6,124	4,475,333	56,942	63.08%	23,772,455	34.10%
800	899	5,136	4,258,373	62,078	68.77%	28,030,828	40.20%
900	999	4,260	3,948,300	66,338	73.49%	31,979,128	45.87%
1,000	1,999	19,203	25,724,488	85,540	94.77%	57,703,616	82.76%
2,000	2,999	3,872	8,987,384	89,413	99.05%	66,691,000	95.65%
3,000	3,999	691	2,273,600	90,104	99.82%	68,964,600	98.91%
4,000	4,999	120	511,894	90,223	99.95%	69,476,494	99.65%
5,000	5,999	30	160,017	90,254	99.99%	69,636,511	99.88%
≥ 6,000		12	84,588	90,266	100.00%	69,721,100	100.00%

Average Customers 7,522
Average kWhs 772
Median kWhs 605

SMALL GENERAL SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	19	8,209	29,969	8,209	8.8%	29,969	0.03%
20	39	2,439	70,452	10,647	11.4%	100,421	0.11%
40	59	2,135	103,999	12,783	13.7%	204,420	0.22%
60	79	1,652	114,747	14,435	15.5%	319,167	0.34%
80	99	1,613	143,564	16,048	17.2%	462,731	0.50%
100	199	7,260	1,082,109	23,308	25.0%	1,544,840	1.65%
200	299	7,173	1,795,240	30,481	32.7%	3,340,080	3.58%
300	399	6,448	2,251,457	36,929	39.6%	5,591,537	5.98%
400	499	5,423	2,440,028	42,353	45.4%	8,031,564	8.60%
500	599	4,634	2,553,356	46,986	50.3%	10,584,920	11.33%
600	699	4,198	2,728,457	51,184	54.8%	13,313,378	14.25%
700	799	3,616	2,714,699	54,799	58.7%	16,028,077	17.16%
800	899	3,189	2,715,174	57,988	62.1%	18,743,251	20.06%
900	999	2,892	2,756,281	60,881	65.2%	21,499,533	23.01%
1,000	1,199	5,224	5,750,988	66,105	70.8%	27,250,521	29.17%
1,200	1,399	4,386	5,710,379	70,491	75.5%	32,960,900	35.28%
1,400	1,599	3,525	5,297,622	74,015	79.3%	38,258,521	40.95%
1,600	1,999	5,339	9,586,114	79,354	85.0%	47,844,636	51.21%
2,000	2,999	7,887	19,315,557	87,241	93.5%	67,160,192	71.89%
3,000	3,999	3,717	12,861,438	90,958	97.5%	80,021,630	85.65%
4,000	4,999	1,493	6,635,207	92,451	99.1%	86,656,837	92.75%
5,000	9,999	787	4,740,977	93,238	99.9%	91,397,815	97.83%
10,000	19,999	56	730,998	93,294	100.0%	92,128,813	98.61%
≥20,000		42	1,297,585	93,336	100.0%	93,426,398	100.00%

Average Customers	7,778
Average kWhs	1,001
Median kWhs	594

LARGE GENERAL SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	499	836	108,605	836	3.5%	108,605	0.02%
500	999	378	284,347	1,214	5.0%	392,953	0.08%
1,000	1,999	830	1,255,909	2,044	8.5%	1,648,861	0.34%
2,000	2,999	1,322	3,352,817	3,366	14.0%	5,001,678	1.04%
3,000	3,999	1,878	6,605,048	5,244	21.7%	11,606,726	2.41%
4,000	4,999	2,032	9,187,940	7,276	30.2%	20,794,666	4.31%
5,000	5,999	1,813	9,964,435	9,089	37.7%	30,759,100	6.38%
6,000	6,999	1,587	10,306,959	10,676	44.3%	41,066,060	8.52%
7,000	7,999	1,268	9,479,879	11,944	49.5%	50,545,939	10.48%
8,000	8,999	1,107	9,409,222	13,051	54.1%	59,955,160	12.44%
9,000	9,999	933	8,868,990	13,983	58.0%	68,824,150	14.27%
10,000	14,999	2,781	33,991,849	16,764	69.5%	102,815,999	21.33%
15,000	19,999	1,670	28,961,503	18,434	76.4%	131,777,502	27.33%
20,000	29,999	1,936	47,351,843	20,370	84.5%	179,129,345	37.15%
30,000	39,999	1,153	40,062,947	21,523	89.2%	219,192,292	45.46%
40,000	49,999	616	27,465,335	22,139	91.8%	246,657,627	51.16%
50,000	99,999	1,129	77,566,390	23,268	96.5%	324,224,017	67.25%
100,000	199,999	569	81,580,305	23,837	98.8%	405,804,322	84.17%
200,000	299,999	210	49,407,724	24,047	99.7%	455,212,046	94.42%
300,000	399,999	55	18,651,903	24,101	99.9%	473,863,949	98.28%
≥ 400,000		19	8,273,182	24,120	100.0%	482,137,131	100.00%

Average Customers 2,010
Average kWhs 19,989
Median kWhs 8,107

LARGE POWER SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	499,999	98	18,816,017	98	42.9%	18,816,017	8.44%
500,000	999,999	56	34,864,431	154	67.3%	53,680,448	24.08%
1,000,000	1,499,999	17	21,349,054	171	75.0%	75,029,503	33.65%
1,500,000	1,999,999	13	21,668,117	184	80.6%	96,697,620	43.37%
2,000,000	2,499,999	19	38,694,776	202	88.8%	135,392,396	60.73%
2,500,000	2,999,999	5	12,359,608	207	90.8%	147,752,004	66.27%
3,000,000	3,499,999	7	21,428,971	214	93.9%	169,180,975	75.88%
3,500,000	3,999,999	2	7,982,889	216	94.9%	177,163,864	79.46%
4,000,000	4,499,999	12	45,786,029	228	100.0%	222,949,894	100.00%

Average Customers 19
Average kWhs 977,850
Median kWhs 520,233

INTERRUPTIBLE POWER SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	99	31	546	31	7.6%	546	0.00%
100	999	30	11,240	61	14.9%	11,786	0.04%
1,000	4,999	30	61,792	90	22.1%	73,578	0.23%
5,000	9,999	32	213,698	123	30.1%	287,275	0.91%
10,000	19,999	48	669,388	171	41.9%	956,664	3.04%
20,000	29,999	30	665,736	200	49.1%	1,622,400	5.15%
30,000	49,999	38	1,418,001	239	58.5%	3,040,401	9.65%
50,000	99,999	54	3,445,493	292	71.6%	6,485,895	20.59%
100,000	199,999	51	6,718,257	343	84.1%	13,204,151	41.91%
200,000	299,999	32	7,691,723	376	92.0%	20,895,874	66.32%
300,000	399,999	25	7,655,663	401	98.3%	28,551,537	90.62%
≥ 400,000		7	2,954,873	408	100.0%	31,506,409	100.00%

Average Customers	34
Average kWhs	77,222
Median kWhs	29,053

LIGHTING DUSK TO DAWN

		Overhead Services
Existing Wood Pole	39,277	
New 30' Wood Pole (Class 6)	8,579	
New 30' Metal or Fiberglass	2,821	
		Underground Services
Existing Wood Pole	1,145	
New 30' Wood Pole (Class 6)	810	
New 30' Metal or Fiberglass	8,013	

TOTAL UNITS	60,645
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KRISTIN K. MAYES - CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-09-
UNS ELECTRIC, INC. FOR THE)
ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES)
DESIGNED TO REALIZE A REASONABLE)
RATE OF RETURN ON THE FAIR VALUE OF)
THE PROPERTIES OF UNS ELECTRIC, INC.)
DEVOTED TO ITS OPERATIONS)
THROUGHOUT THE STATE OF ARIZONA.)
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Index

UNS Electric, Inc.
Index to Schedules
Test Year Ended December 31, 2008

Schedule	Title of Schedule	Description
<u>Summary Information</u>		
A-1	Computation of Increase in Gross Revenue Requirements	Increase in revenue requirements
A-2	Summary Results of Operations	Operating results for the test year, two prior years and the projected year
A-3	Summary of Capital Structure	Capital structure for the test year, two prior years and the projected year
A-4	Construction Expenditures and Gross Utility Plant in Service	Construction expenditures, net plant placed in service and gross utility plant in service for the test year, two prior years and three projected years
A-5	Summary Changes in Financial Position	Cash flows for the test year, two prior years and the projected year
<u>Rate Base Schedules</u>		
B-1	Summary of Original Cost and RCND Rate Base	Elements of original cost and RCND rate base
B-2	Pro Forma Adjustments to Original Cost Rate Base	Pro forma adjustments to original cost rate base
B-3	Pro Forma Adjustments to RCND Rate Base	Pro forma adjustments to RCND rate base
B-4	RCND by Major Plant Accounts	Computation of RCND net utility plant
B-5	Computation of Working Capital	Computation of working capital allowance
<u>Test Year Income Statements</u>		
C-1	Adjusted Test Year Income Statement	Test year income statement with pro forma adjustments
C-2	Income Statement Pro Forma Adjustments	Detail of pro forma income statement adjustments
C-3	Computation of Gross Revenue Conversion Factor	Calculation of gross revenue conversion factor
<u>Cost of Capital</u>		
D-1	Summary Cost of Capital	Elements of capital structure for the test year and projected year
D-2	Cost of Long-Term Debt and Short-Term Debt	Cost of long-term and short-term debt for the test year and projected year
D-3	Cost of Preferred Stock	Not applicable - noted on schedule
D-4	Cost of Common Equity	Summary of conclusions for the required rate of return on common equity as of the end of the test year and projected year

UNS Electric, Inc.
Index to Schedules
Test Year Ended December 31, 2008

Schedule	Title of Schedule	Description
<u>Financial Statements and Statistical Schedules</u>		
E-1	Comparative Balance Sheets	Balance sheets at the end of the test year and two prior years
E-2	Comparative Income Statements	Income statements for the test year and two prior years
E-3	Comparative Statements of Cash Flows	Cash flow statements for the test year and two prior years
E-4	Comparative Statements of Changes in Stockholders' Equity (Deficit)	Changes in stockholders' equity for the test year and two prior years
E-5	Detail of Electric Utility Plant	Electric utility plant balances by detailed account, at the end of the test year and at the end of the prior year
E-6	Comparative Departmental Operating Income Statements	Comparative departmental statements of operating income for the test year and two prior years
E-7	Electric Operating Statistics	Operating statistics (sales, revenues, customers and expenses) for the test year and two prior years
E-8	Taxes Charged to Operations	Significant taxes charged to operations for the test year and two prior years
E-9	Notes to Financial Statements	Reference to see the attached FERC Form 1 as of December 31, 2008.
<u>Projections and Forecasts</u>		
F-1	Projected Income Statements - Present and Proposed Rates	Income statements for the test year and the projected year, at present and proposed rates
F-2	Projected Statements of Cash Flows - Present and Proposed Rates	Cash flow statements for the test year and the projected year, at present and proposed rates
F-3	Projected Construction Requirements	Construction requirements by property classification for the test year and three projected years
F-4	Key Assumptions Used in Preparing Forecasts	Important assumptions used in preparing forecasts and projections

UNS Electric, Inc.
Index to Schedules
Test Year Ended December 31, 2008

Schedule	Title of Schedule	Description
<u>Cost of Service Analyses</u>		
G-1	Cost of Service Summary - Present Rates	Rates of return by customer classification at present rates
G-2	Cost of Service Summary - Equalized and Proposed Rates	Rates of return by customer classification at proposed rates
G-3	Rate Base Allocation to Classes of Service	Allocation of rate base and net utility plant to classes of service
G-4	Expense Allocation to Classes of Service	Allocation of operating expenses to classes of service
G-5	Distribution of Rate Base by Function	Classification of rate base by function
G-6	Distribution of Expenses by Function	Classification of expenses by function
G-7	Development of Allocation Factors	Allocation factors used in the cost of service study (indicating how demand, commodity and customer allocation factors were developed), and including explanation of the demand method used
<u>Effect of Proposed Rate Schedules</u>		
H-1	Summary of Revenues by Customer Classification - Adjusted Present and Proposed Rates	Revenues by customer classification at present and proposed rates
H-2	Comparisons of Revenues by Rate Schedules - Present and Proposed Rates	Revenues by detailed class of service at present and proposed rates
H-3	Comparison of Present & Proposed Rates	Comparison of present and proposed rates by rate schedule
H-4	Typical Bill Comparison - Present (Prior to June 1, 2009 PPFAC Rate Change) & Proposed Rates	Comparison of typical customer bills at varying consumption levels at present and proposed rates
H-4-2	Typical Bill Comparison - Present (Includes June 1, 2009 PPFAC Rate Change) & Proposed Rates	Comparison of typical customer bills at varying consumption levels at present and proposed rates
H-5	Bill Count	Billing activity by block for the summer and winter periods for residential, commercial and industrial rate groups.

BMGS Schedule A

Black Mountain Generating Station

Schedule A-1
Page 1 of 1

UNS Electric, Inc.
Computation of Increase in Gross Revenue Requirements
Test Year Ended December 31, 2008

Line No.	Description	ACC Jurisdiction			Line No.
		Original Cost BMGS	RCND BMGS	Fair Value BMGS	
1	Adjusted Rate Base	\$237,208,845	(a) \$418,685,812	(a) \$327,947,328	(e) 1
2	Adjusted Operating Income	\$15,657,039	(b) \$15,657,039	(b) \$15,657,039	2
3	Current Rate of Return (2/1)	6.60%	3.74%	4.77%	3
4	Required Operating Income	\$23,907,360	\$23,907,360	\$23,907,360	4
5	Weighted Average Cost of Capital	9.04%	(c) 9.04%	9.04%	5
6	Fair Value Adjustment	1.04%	-3.33%	-1.75%	6
7	Required Rate of Return	10.08%	5.71%	7.29%	(e) 7
8	Operating Income Deficiency	\$8,250,321	\$8,250,321	\$8,250,321	8
9	Gross Revenue Conversion Factor	1.6363	(d) 1.6363	(d) 1.6363	(d) 9
10	Increase in Gross Revenue Requirement	\$13,500,000	\$13,500,000	\$13,500,000	10
Customer Classification					
11	Residential Service	\$6,238,014	(f) 6.77%		
12	Small General Service	973,617	8.36%		
13	Large General Service	4,447,767	8.03%		
14	Large Power Service	1,560,254	7.95%		
15	Interruptible Service	228,540	10.06%		
16	Lighting	51,809	8.39%		
	Total	\$13,500,000	7.43%		

Supporting Schedules

- (a) B-1 BMGS
- (b) C-1 BMGS
- (c) D-1 BMGS
- (d) C-3 BMGS
- (e) Rev Req Model BMGS
- (f) H-1 BMGS

UNS Electric, Inc.
Summary Results of Operations
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Year Ended December 31, 2009

Line No.	Description	Prior Years Ended December 31,		Test Year Ended December 31, 2008		Projected Year Ended December 31, 2009		Line No.
		2006 (a)	2007 (a)	Original Adj. (b)	BMGS Adj. (b)	Present Rates (c)	Proposed Rates (c)	
1	Operating Revenues	\$159,766,400	\$168,958,769	\$160,926,065	\$160,926,065	\$178,640,124	\$193,029,867	1
2	Operating Expenses (includes income taxes)	149,762,819	159,775,021	150,922,718 (2)	145,269,026	169,846,005	168,981,265	2
3	Operating Income	10,003,581	9,183,748	10,003,347	15,657,039	8,794,119	24,048,602	3
4	Other Income and Deductions	340,822	1,271,020	399,049	399,049	336,467	345,913	4
5	Income Before Interest Expense	10,344,403	10,454,768	10,402,396	16,056,088	9,130,586	24,394,515	5
6	Interest Expense	5,239,444	5,700,509	6,421,845 (e)	9,368,773 (d)	9,110,492	9,105,520	6
7	Net Income	\$5,104,959	\$4,754,259	\$3,980,551	\$6,687,315	\$20,094	\$15,288,995	7
8	Earnings Per Average Common Share	N/A (1)	N/A	N/A	N/A	N/A	N/A	8
9	Dividends Per Common Share	N/A (1)	N/A	N/A	N/A	N/A	N/A	9
10	Payout Ratio	0% (1)	0%	0%	0%	0%	0%	10
11	Return on Year-End Invested Capital	7.21%	6.31%	5.45%	8.29%	3.67%	9.48%	11
12	Return on Average Invested Capital	8.02%	6.76%	5.83%	8.94%	4.15%	10.88%	12
13	Return on Year-End Common Equity	7.86%	5.96%	4.75%	7.73%	0.02%	12.31%	13
14	Return on Average Common Equity	8.89%	6.57%	4.87%	8.04%	0.02%	14.70%	14
15	Times Total Interest Earned - Before Income Taxes	2.57	2.24	1.94	2.16	1.00	3.78	15
16	Times Total Interest Earned - After Income Taxes	1.97	1.83	1.62	1.71	1.00	2.68	16

(1) UNS Electric, Inc. is a subsidiary of UniSource Energy Corporation and has no publicly traded stock; thus, such information is not meaningful.

(2) Includes reclassification of \$160,200 for Customer Deposit Interest Expense From Other Interest Expense to Other O&M Expense.

Supporting Schedules

- (a) E-2 BMGS
- (b) C-1 BMGS
- (c) F-1 BMGS
- (d) D-2 BMGS
- (e) A-2 Original

UNS Electric, Inc.
Summary of Capital Structure
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Year Ended December 31, 2009

Line No.	Description	Prior Years Ended December 31,		Test Year Ended December 31, 2008 Actuals (b)	Projected Year December 31, 2009		Line No.
		2006 (a)	2007 (a)		Present Rates (c)	Proposed Rates (c)	
<u>Capitalization</u>							
1	Short-Term Debt	\$0	\$0	\$0	\$0	\$0	1
2	Long-Term Debt (Net of Issuance Costs)	78,595,915	85,807,359	107,272,239	133,054,819	133,055,336	2
	Total Debt	78,595,915	85,807,359	107,272,239	133,054,819	133,055,336	
3	Common Stock Equity	64,936,560	79,788,855	83,755,206	115,505,452	124,198,930	3
4	Total Capital	\$143,532,475	\$165,596,214	\$191,027,445	\$248,560,271	\$257,254,265	4
<u>Capitalization Ratios</u>							
5	Short-Term Debt	0%	0.00%	0.00%	0.00%	0.00%	5
6	Long-Term Debt (Net of Issuance Costs)	54.76%	51.82%	56.16%	53.53%	51.72%	6
7	Common Stock Equity	45.24%	48.18%	43.84%	46.47%	48.28%	7
8	Total Capital	100.00%	100.00%	100.00%	100.00%	100.00%	8
<u>Weighted Cost of Capital</u>							
9	Weighted Cost of Short-Term Debt	0.00%	0.00%	0.00%	0.00%	0.00%	9
10	Weighted Cost of Long-Term Debt	4.01%	3.79%	4.11%	3.76%	3.63%	10
11	Weighted Cost of Common Equity	5.16%	5.49%	5.00%	5.30%	5.50%	11

Supporting Schedules

(a) E-1 BMGS

(b) D-1 BMGS

Black Mountain Generating Station

Schedule A-4
Page 1 of 1

UNS Electric, Inc.
Construction Expenditures and Gross Utility Plant in Service
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Years Ended December 31, 2009, 2010 and 2011

Line No.	Year	Construction Expenditures	Net Plant Placed in Service	Gross Utility Plant in Service	Line No.
1	Prior Year Ended December 31, 2006	(a) \$38,947,000	\$139,477,021	\$291,884,596	1
2	Prior Year Ended December 31, 2007	(a) \$37,582,000	\$164,114,994	\$325,590,600	2
3	Test Year Ended December 31, 2008	(a) \$29,664,000	\$234,680,892	\$406,043,216	3
4	Projected Year Ended December 31, 2009	(b) \$29,512,000	\$258,601,415	\$451,262,606	4
5	Projected Year Ended December 31, 2010	(b) \$23,902,000	\$265,454,884	\$480,110,747	5
6	Projected Year Ended December 31, 2011	(b) \$22,231,000	\$268,085,873	\$505,230,295	6

Supporting Schedules
(a) E-1 BMGS & E-3 BMGS
(b) F-3 BMGS

Black Mountain Generating Station

Schedule A-5
Page 1 of 1

UNS Electric, Inc.
Summary Changes in Financial Position
Prior Years Ended December 31, 2006 and 2007, Test Year Ended December 31, 2008,
and Projected Year Ended December 31, 2009
(Thousands of Dollars)

Line No.	Description	Prior Years Ended December 31,		Test Year Ended December 31	Projected Year Ended December 31, 2009		Line No.
		2006 (a)	2007 (a)		Present Rates (b)	Proposed Rates (b)	
1	Net Cash Flows from Operating Activities	\$13,772	\$21,807	\$13,551	\$31,691	\$50,215	1
2	Net Cash Flows From Investing Activities	(38,947)	(36,206)	(29,584)	(29,512)	(29,512)	2
3	Net Cash Flows from Financing Activities	22,238	12,238	22,172	(7,418)	(10,163)	3
4	Net Increase (Decrease) in Cash	<u>(\$2,937)</u>	<u>(\$2,161)</u>	<u>\$6,139</u>	<u>(\$5,239)</u>	<u>\$10,540</u>	4

Supporting Schedules

- (a) E-3 BMGS
(b) F-2 BMGS

BMGS Schedule B

Black Mountain Generating Station

Schedule B-1
Page 1 of 1

UNS Electric, Inc.
Summary of Original Cost and RCND Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Total		ACC Jurisdiction		Line No.
		Adjusted Original Cost Rate Base (a)	Adjusted RCND Rate Base (b)	Adjusted Original Cost Rate Base (a)	Adjusted RCND Rate Base (b)	
1	Gross Utility Plant in Service	\$517,156,721	\$910,137,088	\$517,156,721	\$910,137,088	1
2	Less: Accumulated Depreciation	194,357,558	368,645,682	194,357,558	368,645,682	2
3	Net Utility Plant in Service	322,799,162	541,491,406	322,799,162	541,491,406	3
4	Citizens Acquisition Discount	(93,273,341)	(130,469,005)	(93,273,341)	(130,469,005)	4
5	Less: Accum. Amort. - Citizens Acq. Discount	(20,876,317)	(27,773,948)	(20,876,317)	(27,773,948)	5
6	Net Citizens Acquisition Discount	(72,397,024)	(102,695,057)	(72,397,024)	(102,695,057)	6
7	Total Net Utility Plant	250,402,138	438,796,349	250,402,138	438,796,349	7
8	Customer Advances for Construction	(12,605,744)	(17,555,056)	(12,605,744)	(17,555,056)	8
9	Customer Deposits	(4,064,671)	(4,064,671)	(4,064,671)	(4,064,671)	9
10	Accumulated Deferred Income Taxes	(2,028,227)	(3,996,158)	(2,028,227)	(3,996,158)	10
11	Total Deductions	(18,698,641)	(25,615,885)	(18,698,641)	(25,615,885)	11
12	Allowance for Working Capital	5,505,348	5,505,348	5,505,348	5,505,348	12
13	Regulatory Assets	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	14
15	Total Rate Base	\$237,208,845	\$418,685,812	\$237,208,845	\$418,685,812	15

Supporting Schedules
(a) B-2 BMGS
(b) B-3 BMGS

Recap Schedules
A-1 BMGS

Black Mountain Generating Station

UNS Electric, Inc.
Pro Forma Adjustments to Original Cost Rate Base
Test Year Ended December 31, 2008

Schedule B-2
Page 1 of 2

Line No.	Description	Adjusted (Original) at End of Test Period	Total Adjustments (a)	BMGS Adjusted at End of Test Period	ACC Jurisdiction	Line No.
1	Gross Utility Plant in Service	\$454,177,170	\$62,979,551	\$517,156,721	\$517,156,721	1
2	Less: Accumulated Depreciation	193,348,359	1,009,199	194,357,558	194,357,558	2
3	Net Utility Plant in Service	260,828,810	61,970,352	322,799,162	322,799,162	3
4	Citizens Acquisition Discount	(93,273,341)	0	(93,273,341)	(93,273,341)	4
5	Less: Accum. Amort. - Citizens Acq. Discount	(20,876,317)	0	(20,876,317)	(20,876,317)	5
6	Net Citizens Acquisition Discount	(72,397,024)	0	(72,397,024)	(72,397,024)	6
7	Total Net Utility Plant	188,431,786	61,970,352	250,402,138	250,402,138	7
8	Customer Advances for Construction	(12,605,744)	0	(12,605,744)	(12,605,744)	8
9	Customer Deposits	(4,064,671)	0	(4,064,671)	(4,064,671)	9
10	Accumulated Deferred Income Taxes	(2,028,227)	0	(2,028,227)	(2,028,227)	10
11	Total Deductions	(18,698,641)	0	(18,698,641)	(18,698,641)	11
12	Allowance for Working Capital	6,085,768	(580,420)	5,505,348	5,505,348	12
13	Regulatory Assets	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	14
15	Total Original Cost Rate Base	\$175,818,913	\$61,389,932	\$237,208,845	\$237,208,845	15

Recap Schedules
B-1 BMGS

Supporting Schedules
(a) B-1 (Original), B-2 BMGS (P2)
(b) B-5 BMGS

Black Mountain Generating Station

Schedule B-2
Page 2 of 2

UNS Electric, Inc.
Pro Forma Adjustments to Original Cost Rate Base
Test Year Ended December 31, 2008

Line No.	Description	BMGS Plant in Service	Working Capital	Total Page Adjustments	Line No.
1	Gross Utility Plant in Service	\$62,979,551	\$0	\$62,979,551	1
2	Less: Accumulated Depreciation	1,009,199	0	1,009,199	2
3	Net Utility Plant in Service	61,970,352	0	61,970,352	3
4	Citizens Acquisition Discount	0	0	0	4
5	Less: Accum. Amort. - Citizens Acq. Discount	0	0	0	5
6	Net Citizens Acquisition Discount	0	0	0	6
7	Total Net Utility Plant	61,970,352	0	61,970,352	7
8	Customer Advances for Construction	0	0	0	8
9	Customer Deposits	0	0	0	9
10	Accumulated Deferred Income Taxes	0	0	0	10
11	Total Deductions	0	0	0	11
12	Allowance for Working Capital	0	(580,420)	(580,420)	12
13	Regulatory Assets	0	0	0	13
14	Regulatory Liabilities	0	0	0	14
15	Total Original Cost Rate Base	\$61,970,352	(\$580,420)	\$61,389,932	15

Supporting Schedules
N/A

Recap Schedules
B-1 BMGS

Black Mountain Generating Station

Schedule B-3
Page 1 of 2

UNS Electric, Inc.
Pro Forma Adjustments to RCND Rate Base
Test Year Ended December 31, 2008

Line No.	Description	Adjusted (Original) at End of Test Period (a), (b)	Total Adjustments (c)	BMGS Adjusted at End of Test Period	ACC Jurisdiction	Line No.
1	Gross Utility Plant in Service	\$844,301,155	\$65,835,933	\$910,137,088	\$910,137,088	1
2	Less: Accumulated Depreciation	367,590,759	1,054,923	368,645,682	368,645,682	2
3	Net Utility Plant in Service	476,710,396	64,781,010	541,491,406	541,491,406	3
4	Citizens Acquisition Discount	(130,469,005)	0	(130,469,005)	(130,469,005)	4
5	Less: Accum. Amort. - Citizens Acq. Discount	(27,773,948)	0	(27,773,948)	(27,773,948)	5
6	Net Citizens Acquisition Discount	(102,695,057)	0	(102,695,057)	(102,695,057)	6
7	Total Net Utility Plant	374,015,339	64,781,010	438,796,349	438,796,349	7
8	Customer Advances for Construction	(17,555,056)	0	(17,555,056)	(17,555,056)	8
9	Customer Deposits	(4,064,671)	0	(4,064,671)	(4,064,671)	9
10	Accumulated Deferred Income Taxes	(3,996,158)	0	(3,996,158)	(3,996,158)	10
11	Total Deductions	(25,615,885)	0	(25,615,885)	(25,615,885)	11
12	Allowance for Working Capital	6,085,768	(580,420)	5,505,348	5,505,348	12
13	Regulatory Assets	0	0	0	0	13
14	Regulatory Liabilities	0	0	0	0	14
15	Total RCND Rate Base	\$354,485,222	\$64,200,590	\$418,685,812	\$418,685,812	15

Supporting Schedules
(a) B-4 BMGS
(b) B-2 BMGS
(c) B-3 BMGS (P2-3)

Recap Schedules
B-1 BMGS

Black Mountain Generating Station

Schedule B-3
Page 2 of 2

UNS Electric, Inc.
Pro Forma Adjustments to RCND Rate Base
Test Year Ended December 31, 2008

Line No.	Description	BMGS Plant in Service RCN	Working Capital RCN	Total Page Adjustments	Line No.
1	Gross Utility Plant in Service	\$65,835,933	\$0	\$65,835,933	1
2	Less: Accumulated Depreciation	1,054,923	0	1,054,923	2
3	Net Utility Plant in Service	64,781,010	0	64,781,010	3
4	Citizens Acquisition Discount	0	0	0	4
5	Less: Accum. Amort. - Citizens Acq. Discount	0	0	0	5
6	Net Citizens Acquisition Discount	0	0	0	6
7	Total Net Utility Plant	64,781,010	0	64,781,010	7
8	Customer Advances for Construction	0	0	0	8
9	Customer Deposits	0	0	0	9
10	Accumulated Deferred Income Taxes	0	0	0	10
11	Total Deductions	0	0	0	11
12	Allowance for Working Capital	0	(580,420)	(580,420)	12
13	Regulatory Assets	0	0	0	13
14	Regulatory Liabilities	0	0	0	14
15	Total RCND Rate Base	\$64,781,010	(\$580,420)	\$64,200,590	15

Supporting Schedules
N/A

Recap Schedules
B-1 BMGS

Black Mountain Generating Station

UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended December 31, 2008

Schedule B-4
Page 1 of 4

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
Utility Plant in Service							
1	INTANGIBLE	302	Franchises & Consents	\$0	N/A	\$0	1
2		303	Misc. Intangible Plant	9,489,849	67.0%	6,343,106	2
3			Total Intangible Plant	9,489,849		6,343,106	3
4	OTHER PRODUCTION	340	Land & Land Rights	205,436	-188.5%	(387,515)	4
5		341	Structures & Improvements	3,621,203	93.1%	3,372,965	5
6		342	Fuel Holders, Producers, & Accessories	1,211,666	-416.2%	(5,042,961)	6
7		343	Prime Movers	21,806,582	96.5%	21,036,927	7
8		344	Generators	9,051,553	83.5%	7,555,524	8
9		345	Accessory Electric Equipment	5,508,841	96.9%	5,337,265	9
10		346	Misc. Power Plant Equipment	1,717,893	100.0%	1,717,893	10
11			Total Other Production	43,123,175		33,590,098	11
12	TRANSMISSION (Non-EHV)	350	Land & Land Rights	1,431,088	90.9%	1,300,500	12
13		352	Structures & Improvements	893,288	63.1%	563,746	13
14		353	Station Equipment	43,128,870	61.8%	26,666,391	14
15		354	Towers & Fixtures	2,117,537	67.2%	1,423,094	15
16		355	Poles & Fixtures	39,080,670	55.8%	21,790,557	16
17		356	Overhead Conductors & Devices	39,960,977	64.8%	25,899,469	17
18		358	Underground Conductors & Devices	38,284	90.9%	34,784	18
19		359	Roads & Trails	575,359	64.9%	373,470	19
20			Total Transmission Plant	127,226,073		78,052,012	20
21	DISTRIBUTION	360	Land & Land Rights	1,354,701	97.1%	1,315,269	21
22		361	Structures & Improvements	8,339,078	77.3%	6,447,558	22
23		362	Station Equipment	80,619,478	51.3%	41,339,622	23
24		364	Poles, Towers, & Fixtures	150,563,618	45.0%	67,816,680	24
25		365	Overhead Conductors & Devices	131,020,135	49.8%	65,282,631	25
26		366	Underground Conduit	23,716,651	62.8%	14,899,205	26
27		367	Underground Conductors & Devices	71,898,880	64.4%	46,281,315	27
28		368	Line Transformers	126,286,815	56.3%	71,071,129	28
29		369	Services	22,519,570	54.3%	12,223,582	29
30		370	Meters	12,501,609	80.5%	10,064,676	30
31		373	Street Lights and Signal Systems	8,363,965	58.2%	4,866,980	31
32			Total Distribution Plant	637,184,499		341,608,647	32

Supporting Schedules
N/A

Recap Schedules
B-3 BMGS

Black Mountain Generating Station

Schedule B-4
Page 2 of 4

UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended June 30, 2006

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
33	GENERAL	389	Land & Land Rights	45,767	100.0%	45,767	33
34		390	Structures & Improvements	4,745,565	71.9%	3,411,805	34
35		391	Office Furniture & Equipment	2,783,996	30.6%	851,412	35
36		392	Transportation Equipment	9,847,474	68.8%	6,777,256	36
37		393	Stores Equipment	153,672	18.2%	28,014	37
38		394	Tools, Shop, & Garage Equipment	3,788,072	55.5%	2,101,028	38
39		395	Laboratory Equipment	1,425,303	72.1%	1,027,380	39
40		396	Power Operated Equipment	2,168,276	58.4%	1,267,143	40
41		397	Communication Equipment	2,151,908	71.1%	1,529,586	41
42		398	Miscellaneous Equipment	187,526	41.1%	77,143	42
43			Total General Plant	27,297,560		17,116,534	43
44			Total Plant	\$844,301,155		\$476,710,396	44

Supporting Schedules
N/A

Recap Schedules
B-3 BMGS

UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended December 31, 2008

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
<u>Citizens Acquisition Discount</u>							
1	INTANGIBLE	302	Franchises & Consents	(\$5,740)	97.7%	(\$5,606)	1
2		303	Misc. Intangible Plant	(2,165,141)	84.1%	(1,821,929)	2
3			Total Intangible Plant	(2,170,881)		(1,827,535)	3
4	OTHER PRODUCTION	340	Land & Land Rights	(379,032)	100.0%	(379,032)	4
5		341	Structures & Improvements	(225,933)	92.2%	(208,215)	5
6		342	Fuel Holders, Producers, & Accessories	(330,541)	86.9%	(287,241)	6
7		343	Prime Movers	(4,508,485)	87.3%	(3,934,716)	7
8		344	Generators	(1,410,134)	95.4%	(1,345,543)	8
9		345	Accessory Electric Equipment	(1,244,240)	88.1%	(1,095,574)	9
10		346	Misc. Power Plant Equipment	(250,775)	89.5%	(224,367)	10
11			Total Other Production	(8,349,139)		(7,474,688)	11
12	TRANSMISSION (Non-EHV)	350	Land & Land Rights	(630,232)	99.7%	(628,221)	12
13		352	Structures & Improvements	(49,039)	80.0%	(39,254)	13
14		353	Station Equipment	(9,965,173)	84.1%	(8,383,034)	14
15		354	Towers & Fixtures	(633,732)	76.3%	(483,668)	15
16		355	Poles & Fixtures	(3,585,698)	69.6%	(2,497,254)	16
17		356	Overhead Conductors & Devices	(7,649,311)	85.4%	(6,533,950)	17
18		358	Underground Conductors & Devices	0	N/A	0	18
19		359	Roads & Trails	(162,646)	89.2%	(145,011)	19
20			Total Transmission Plant	(22,675,832)		(18,710,393)	20
21	DISTRIBUTION	360	Land & Land Rights	(576,791)	99.9%	(576,285)	21
22		361	Structures & Improvements	(1,629,401)	82.9%	(1,350,576)	22
23		362	Station Equipment	(12,575,580)	74.4%	(9,361,248)	23
24		364	Poles, Towers, & Fixtures	(26,861,056)	77.2%	(20,749,470)	24
25		365	Overhead Conductors & Devices	(19,796,288)	76.6%	(15,169,541)	25
26		366	Underground Conduit	(4,407,156)	77.2%	(3,402,817)	26
27		367	Underground Conductors & Devices	(6,396,998)	71.7%	(4,584,266)	27
28		368	Line Transformers	(13,569,671)	73.6%	(9,986,738)	28
29		369	Services	(4,535,230)	77.5%	(3,513,326)	29
30		370	Meters	(2,990,642)	82.6%	(2,469,075)	30
31		373	Street Lights and Signal Systems	(1,574,107)	75.8%	(1,192,657)	31
32			Total Distribution Plant	(94,912,920)		(72,355,998)	32

Supporting Schedules
N/A

Recap Schedules
B-3 BMGS

UNS Electric, Inc.
RCND By Major Plant Accounts
Test Year Ended June 30, 2006

Line No.	Function	Plant Account	Description	RCN	Percent	RCND	Line No.
33	GENERAL	389	Land & Land Rights	(28,497)	100.0%	(28,497)	33
34		390	Structures & Improvements	(793,689)	84.6%	(671,137)	34
35		391	Office Furniture & Equipment	(237,962)	27.6%	(65,688)	35
36		392	Transportation Equipment	351,045	-55.9%	(196,174)	36
37		393	Stores Equipment	(53,137)	85.6%	(45,505)	37
38		394	Tools, Shop, & Garage Equipment	(879,475)	83.5%	(734,075)	38
39		395	Laboratory Equipment	(276,645)	87.0%	(240,556)	39
40		396	Power Operated Equipment	(134,255)	80.0%	(107,342)	40
41		397	Communication Equipment	(289,758)	77.6%	(224,869)	41
42		398	Miscellaneous Equipment	(17,859)	70.6%	(12,600)	42
43			Total General Plant	(2,360,233)		(2,326,443)	43
44			Total Plant	(\$130,469,005)		(\$102,695,057)	44

Supporting Schedules
N/A

Recap Schedules
B-3 BMGS

Black Mountain Generating Station

UNS Electric, Inc.
Computation of Working Capital
Test Year Ended December 31, 2008

Schedule B-5
Page 1 of 3

Line No.	Description	Total		Original & RCND ACC Jurisdiction	Line No.
		Original Cost	RCND Cost		
1	Cash Working Capital	(\$3,390,766)	(\$3,390,766)	(\$3,390,766)	1
2	Fuel Inventory	0	0	0	2
3	Materials and Supplies	8,261,763	8,261,763	8,261,763	3
4	Prepayments	634,351	634,351	634,351	4
5	Total Working Capital Allowance	<u>\$5,505,348</u>	<u>\$5,505,348</u>	<u>\$5,505,348</u>	5

Supporting Schedules
B-5 BMGS (P2)

Recap Schedules
B-1 BMGS

Black Mountain Generating Station

Schedule B-5
Page 2 of 3

UNS Electric, Inc.
Detail of Adjustments to Working Capital
As of December 31, 2008

Line No.	Description	Actual	Adjustments		Total Adjusted	Line No.
			Thirteen Month Average	Cash Working Capital		
1	Cash Working Capital	(\$2,810,346)	N/A	(\$580,420)	(\$3,390,766)	1
2	Fuel Inventory (Account 151)	0	0	N/A	0	2
3	Materials & Supplies (Accounts 154 and 163)	8,261,763	0	N/A	8,261,763	3
4	Prepayments (Account 165)	634,351	0	N/A	634,351	4
5	Total	\$6,085,768	\$0	(\$580,420)	\$5,505,348	5

Supporting Schedules
B-5 BMGS (P3)

Recap Schedules
B-5 BMGS (P1)

Black Mountain Generating Station

Schedule B-5
Page 3 of 3

UNS Electric, Inc.
Cash Working Capital - Lead/Lag Study
Test Year Ended December 31, 2008

Line No.	Description	(A)	Pro Forma Test Year Amount	(B)	Revenue Lag Days	(C)	Expense Lag Days	(D)	Net Lag Days (Col. C - Col. D)	(E)	Lead/Lag Factor (Col. E/365)	(F)	Cash Working Capital Required (Col. F x Col. B)	(G)	Line No.
1	Operating Expenses														1
2	Non-Cash Expenses														2
3	Bad Debts Expense			\$764,063											3
4	Depreciation			17,903,658											4
5	Amortization			(2,018,940)											5
6	Deferred Income Taxes			4,006,796											6
7	Other Operating Expenses														7
8	Salaries and Wages (UNSE Direct Employees)			4,828,118	35.59		23.33		12.26		0.0336		\$162,225		8
9	Incentive Pay (UNSE Direct Employees)			109,736	35.59		267.00		(231.41)		(0.6340)		(\$69,573)		9
10	Purchased Power			84,638,076	35.59		33.79		1.80		0.0049		\$414,727		10
11	Transmission Other			8,082,997	35.59		40.67		(5.08)		(0.0139)		(\$112,354)		11
12	Meter Reading			839,177	35.59		33.67		1.92		0.0053		\$4,448		12
13	Customer Records & Collection Expenses (excluding allocations)			1,389,213	35.59		34.94		0.65		0.0018		\$2,501		13
14	Office Supplies and Expenses			512,842	35.59		50.89		(15.30)		(0.0419)		(\$21,488)		14
15	Injuries and Damages			325,682	35.59		70.52		(34.93)		(0.0957)		(\$31,168)		15
16	Pensions and Benefits			1,244,544	35.59		51.37		(15.78)		(0.0432)		(\$53,764)		16
17	Support Services - TEP (Direct Labor, Burdens, System Alloc.)			6,217,822	35.59		44.77		(9.18)		(0.0252)		(\$156,689)		17
18	Property Taxes			3,727,294	35.59		213.00		(177.41)		(0.4848)		(\$1,806,806)		18
19	Payroll Taxes			445,648	35.59		19.87		15.72		0.0431		\$19,207		19
20	Current Income Taxes			194,292	35.59		41.42		(5.83)		(0.0160)		(\$3,109)		20
21	Interest on Customer Deposits			14,499	35.59		182.50		(148.91)		(0.4025)		(\$5,836)		21
22	Other Operations and Maintenance			12,043,509	35.59		41.21		(5.62)		(0.0154)		(\$185,470)		22
23	Total Operating Expenses			<u>\$145,269,025</u>											23
24	Other Cash Working Capital Elements:														
25	Interest On Long-Term Debt			\$9,061,378	35.59		78.97		(43.38)		(0.1188)		(1,076,492)		25
26	Revenue Taxes and Assessments			\$12,430,745	35.59		49.43		(13.84)		(0.0379)		(471,125)		26
27	Total Cash Working Capital												<u>(\$3,390,766)</u>		27

Supporting Schedules

N/A

Recap Schedules

B-2 BMGS, B-3 BMGS

BMGS Schedule C

Black Mountain Generating Station

Schedule C-1
Page 1 of 1

UNS Electric, Inc.
Adjusted Test Year Income Statement
Test Year Ended December 31, 2008

Line No.	Description	Adjusted (Original) (a)	BMGS Pro Forma Adjustments (b)	BMGS Adjusted	ACC Jurisdiction	FERC Jurisdiction	Line No.
1	Operating Revenues						
2	Electric Retail Revenues	\$159,280,446	\$0	\$159,280,446	\$159,280,446	\$0	1
3	Sales for Resale	0	0	0	0	0	2
4	Other Operating Revenue	1,645,619	0	1,645,619	1,645,619	0	3
	Total Operating Revenues	160,926,065	0	160,926,065	160,926,065	0	4
5	Operating Expenses						
6	Fuel, Purchased Power & Transmission	111,303,565	(10,960,779)	100,342,787	100,342,787	0	5
7	Other Operations and Maintenance Expense	19,425,615 (1)	1,158,464	20,584,079	20,584,079	0	6
8	Depreciation and Amortization	14,235,222	1,649,496	15,884,718	15,884,718	0	7
9	Taxes Other than Income Taxes	3,837,049	419,305	4,256,354	4,256,354	0	8
10	Income Taxes	2,121,267	2,079,821	4,201,088	4,201,088	0	9
	Total Operating Expenses	150,922,718	(5,653,693)	145,269,026	145,269,026	0	10
11	Operating Income	\$10,003,347	\$5,653,693	\$15,657,039	\$15,657,039	\$0	11
12	Other Income and Deductions						
13	Allowance for Equity Funds	322,168					
14	Other - Net	76,881					
	Total Other Income and Deductions	399,049					
15	Income Before Interest Expense	10,402,396					
16	Interest Expense						
17	Interest on Long-Term Debt	6,546,248					
18	Other Interest Expense	57,412 (1)					
19	Allowance for Borrowed Funds	(181,815)					
	Total Interest Expense	6,421,845					
20	Net Income Available for Common Stock	\$3,980,551					

(1) Includes reclassification of \$160,200 for Customer Deposit Interest Expense From Other Interest Expense to Other O&M Expense.

Supporting Schedules
(a) C-1 (Original) & E-2 BMGS
(b) C-2 BMGS

Recap Schedules
A-1 BMGS
A-2 BMGS

Black Mountain Generating Station

Schedule C-2
Page 1 of 1

UNS Electric, Inc.
Income Statement Pro Forma Adjustments
Test Year Ended December 31, 2008

Line No.	Description	BMGS PPA Adjustment	BMGS O&M Expense	Depr & Amort Expense Annualization	Property Tax Expense	Income Taxes	Total Adjustments	Line No.
1	Operating Revenues							
2	Electric Retail Revenues	\$0	\$0	\$0	\$0	\$0	\$0	1
3	Sales for Resale	0	0	0	0	0	0	2
4	Other Operating Revenue	0	0	0	0	0	0	3
4	Total Operating Revenues	0	0	0	0	0	0	4
5	Operating Expenses							
6	Fuel, Purchased Power & Transmission	(10,960,779)	0	0	0	0	(10,960,779)	5
7	Other Operations and Maintenance Expense	0	1,158,464	0	0	0	1,158,464	6
8	Depreciation and Amortization	0	0	1,649,496	0	0	1,649,496	7
9	Taxes Other than Income Taxes	0	0	0	419,305	0	419,305	8
10	Income Taxes	0	0	0	0	2,079,821	2,079,821	9
10	Total Operating Expenses	(10,960,779)	1,158,464	1,649,496	419,305	2,079,821	(5,653,693)	10
11	Operating Income	\$10,960,779	(\$1,158,464)	(\$1,649,496)	(\$419,305)	(\$2,079,821)	\$5,653,693	11

Supporting Schedules

N/A

Recap Schedules

C-1 BMGS

Black Mountain Generating Station

Schedule C-3
Page 1 of 1

UNS Electric, Inc.
Computation of Gross Revenue Conversion Factor
Test Year Ended December 31, 2008

Line No.	Description	Percentage of Incremental Gross Revenues	Line No.
1	Gross Revenue	100.00%	1
2	Less: Uncollectible Revenue	0.47180%	2
3	Taxable Income as a Percent	99.53%	3
4	Less: Federal (31.630%) and State Income Taxes (6.968%) (Combined Effective Tax Rate = 38.598%)	38.42%	4
5	Change in Net Operating Income	61.11%	5
6	Gross Revenue Conversion Factor	1.6363	6
		(a)	

(a) Line No. 1 divided by line No. 5.

Supporting Schedules
N/A

Recap Schedules
A-1 BMGS

BMGS Schedule D

Black Mountain Generating Station

Schedule D-1
Page 1 of 2

UNS Electric, Inc.
Summary Cost of Capital
Test Year Ended December 31, 2008
(Thousands of Dollars)

Line No.	Capital Source	Capitalization		Cost Rate	Weighted Cost of Capital (c)	Line No.
		Amount	Percent			
<u>Actual - End of Test Period</u>						
1	Short-Term Debt	\$0	0.00%	0.00%	0.00%	1
2	Long-Term Debt - Net	107,272 (1)	56.16%	7.32%	4.11%	2
3	Common Stock Equity	83,755	43.84%	11.40%	5.00%	3
4	Total Capital	<u>\$191,027</u>	<u>100.00%</u>		<u>9.11%</u>	4
<u>Proposed - End of Test Period</u>						
5	Short-Term Debt	\$0	0.00%	0.00%	0.00%	5
6	Long-Term Debt - Net	132,885	54.24%	7.05%	3.82%	6
7	Common Stock Equity	112,113	45.76%	11.40%	5.22%	7
8	Total Capital	<u>\$244,998</u>	<u>100.00%</u>		<u>9.04%</u>	8

(1) The balance of Long-Term Debt is stated net of the unamortized balance of debt discount and issuance expense. Page 1 of Schedule D-2 provides a reconciliation between the Long-Term Debt balance of \$108 million shown on Schedule E-1 and the \$107,272 million balance shown above.

Supporting Schedules
(a) D-2 BMGS
(b) E-1 BMGS

Recap Schedules
(c) A-3 BMGS

Black Mountain Generating Station

Schedule D-1
Page 2 of 2

UNS Electric, Inc.
Summary Cost of Capital
Projected Year Ended December 31, 2009
(Thousands of Dollars)

Line No.	Capital Source	Capitalization		Cost Rate	Weighted Cost of Capital (b)	Line No.
		Amount	Percent			
<u>Projected as of December 31, 2009</u>						
1	Short-Term Debt	\$0	0.00%	0.00%	0.00%	1
2	Long-Term Debt - Net	133,055	53.53%	7.02%	3.76%	2
3	Common Stock Equity	115,505	46.47%	11.40%	5.30%	3
4	Total Capital	<u>\$248,560</u>	<u>100.00%</u>		<u>9.06%</u>	4

Supporting Schedules
(a) D-2 BMGS

Recap Schedules
(b) A-3 BMGS

Black Mountain Generating Station

Schedule D-2
Page 1 of 2

UNS Electric, Inc.
Cost of Long-Term Debt and Short-Term Debt
Test Year Ended December 31, 2008
(Thousands of Dollars)

Line No.	Description	End of Test Period (Actual)			End of Test Period (Proposed)			Line No.
		Outstanding	Annual Interest	Cost Rate	Outstanding	Annual Interest	Cost Rate	
1	Senior Notes							1
2	6.5% UNS Electric Sr. Unsecured Notes due 08/15	\$50,000	\$3,250 (1)		\$50,000	\$3,250 (1)		2
3	7.10% UNS Electric Guaranteed Notes Series B due 08/23	50,000	3,550 (1)		50,000	3,550 (1)		3
4	New Debt Issuance for purchase of BMGS	0	0 (2)		34,218	2,327 (2)		4
	Total Bonds	100,000	6,800	6.80%	134,218	9,127	6.80%	
5	Revolving Credit Facility	\$8,000	\$851		0	0		5
6	Total Long-Term Debt	108,000	7,651	7.08%	134,218	9,127	6.80%	6
7	Unamortized Debt Discount, Premium and Expense and Loss on Recquired Debt	(\$728)			(\$1,333)	(3)		7
8	Amortization of Debt Discount and Expense and Loss on Recquired Debt		\$154			\$197 (3)		8
9	Credit Facility Commitment Fees		\$43			\$45 (4)		9
10	Total Long-Term Debt - Net	\$107,272	\$7,848	7.32%	\$132,885	\$9,369	7.05%	10
11	Total Short-Term Debt	\$0	\$0	N/A	\$0	\$0	N/A	11

(1) Assumed full year interest expense to equal stated interest rates of 6.5% and 7.1% respectively multiplied by balance of each debt issuance.

(2) The interest rate for the new debt issuance for purchase of BMGS is assumed to equal weighted average interest rate of current debt outstanding.

(3) Debt discount & expense assumed to increase at 2.0% of the new debt issuance for purchase of BMGS, to then be amortized over 10 years.

(4) Credit Facility Commitment Fees of \$45,000 reflects a 0.15% annual commitment fee on 50% of the \$60 million limit credit facility shared with UNS Gas.

Supporting Schedules
E-1

Recap Schedules
D-1

Black Mountain Generating Station

Schedule D-2
Page 2 of 2

UNS Electric, Inc.
Cost of Long-Term Debt and Short-Term Debt
Projected Period Ended December 31, 2009
(Thousands of Dollars)

Line No.	Description	Projected Period Ended December 31, 2009			Line No.
		Outstanding	Annual Interest	Cost Rate	
Senior Notes					
1	6.5% UNS Electric Sr. Unsecured Notes due 08/15	\$50,000	\$3,250 (1)		1
2	7.10% UNS Electric Guaranteed Notes Series B due 08/23	50,000	3,550 (1)		2
3	New Debt Issuance for purchase of BMGS	34,218	2,327 (2)		3
4	Total Bonds	<u>134,218</u>	<u>9,127</u>	<u>6.80%</u>	4
5	Revolving Credit Facility	0	0		5
6	Total Long-Term Debt	<u>134,218</u>	<u>9,127</u>	<u>6.80%</u>	6
Unamortized Debt Discount, Premium and Expense and Loss on Reacquired Debt					
7	Amortization of Debt Discount and Expense and Loss on Reacquired Debt	(\$1,163)	(3)		7
8	Credit Facility Commitment Fees		\$140 (3)		8
9			\$73		9
10	Total Long-Term Debt - Net	<u>\$133,055</u>	<u>\$9,340</u>	<u>7.02%</u>	10
11	Total Short-Term Debt	\$0	\$0	0.00%	11

(1) Assumed full year interest expense to equal stated interest rates of 6.5% and 7.1% respectively multiplied by balance of each debt issuance.

(2) The interest rate for the new debt issuance for purchase of BMGS is assumed to equal weighted average interest rate of current debt outstanding.

(3) Debt discount & expense assumed to increase at 2.0% of the new debt issuance for purchase of BMGS, to then be amortized over 10 years.

Supporting Schedules
N/A

Recap Schedules
D-1 BMGS

UNS Electric, Inc.
Cost of Preferred Stock
Test Year Ended December 31, 2008

No preferred stock was outstanding during the test year.

No preferred stock is expected to be issued.

Supporting Schedules
N/A

Recap Schedules
N/A

UNS Electric, Inc.
Cost of Common Equity
Test Year Ended December 31, 2008

The cost of common equity capital for UNS Electric, Inc. is estimated to be 11.4%.

Supporting Schedules
N/A

Recap Schedules
D-1 BMGS

BMGS Schedule E

Black Mountain Generating Station

Schedule E-1
Page 1 of 2

UNS Electric, Inc.
Comparative Balance Sheets
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31, 2008	Prior Years Ended December 31, 2007	2006	Line No.
(a) Utility Plant					
1	Plant in Service	\$446,913,556	\$429,065,681	\$395,359,290	1
2	Construction Work in Progress	18,758,596	14,395,484	16,047,165	2
3	Plant Held for Future Use	610,695	60,746	60,747	3
4	Plant Under Capital Leases	730,678	730,678	730,678	4
5	Citizens Acquisition Discount	(104,266,123)	(104,266,123)	(104,266,123)	5
6	Total Utility Plant	362,747,402	339,986,466	307,931,757	6
7	Accumulated Depreciation and Amortization	(193,348,359)	(180,251,316)	(166,926,687)	7
8	Accumulated Amortization - Capital Leases	(517,563)	(426,228)	(309,777)	8
9	Accumulated Amort. - Citizens Acquisition Discount	23,513,716	19,201,556	14,828,893	9
10	Total Utility Plant - Net	192,395,196	178,510,478	155,524,186	10
Other Property and Investments					
11	Non-Utility Property	521,164	629,027	0	11
12	Long-Term Portion of Derivative Assets	1,517,124	7,779,094	3,015,217	12
13	Long-Term Portion of Derivative Assets - Hedges	0	0	378,490	13
14	Total Other Property and Investments	2,038,288	8,408,121	3,393,707	14
Current Assets					
15	Cash and Cash Equivalents	4,635,779	1,563,904	4,827,673	15
16	Special Deposits & Working Funds	6,659,962	32,124	(3,371)	16
17	Temporary Cash Investments	4,170,669	1,102,702	0	17
18	Accounts Receivable - Retail Customers	10,890,931	10,843,445	9,742,734	18
19	Accounts Receivable - Other	957,753	421,379	48,320	19
20	Allowance for Doubtful Accounts	(1,378,758)	(848,012)	(138,952)	20
21	Accrued Unbilled Revenues	9,992,135	8,144,965	8,728,679	21
22	Intercompany Accounts Receivable	4,052,567	243,223	256,851	22
23	Material and Supplies	8,984,031	7,677,972	7,837,633	23
24	Prepayments	896,582	515,301	275,126	24
25	Derivative Instrument Assets	1,584,804	3,434,966	0	25
26	Other	260,000	0	0	26
	Total Current Assets	51,706,455	33,131,969	31,574,693	
Regulatory & Other Assets					
27	Other Regulatory Assets	26,602,011	1,803,770	1,408,517	27
28	Unamortized Debt Discount and Expense	727,761	190,745	394,605	28
29	Accumulated Deferred Income Taxes	8,929,175	10,532,742	9,304,705	29
30	Other	370,659	971,997	914,846	30
31	Total Deferred Debits	36,629,606	13,499,254	12,022,673	31
32	Total Assets	\$282,769,545	\$233,549,822	\$202,515,259	32

Supporting Schedules
(a) E-5 BMGS
E-9 BMGS

Recap Schedules
A-4 BMGS

Black Mountain Generating Station

Schedule E-1
Page 2 of 2

UNS Electric, Inc.
Comparative Balance Sheets
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	Prior Years Ended December 31,		Line No.
		2007	2006	
		December 31, 2008		
1	Capitalization			1
2	Common Stock	\$10	\$10	2
3	Additional Paid-In Capital	58,886,661	48,616,661	3
4	Accumulated Earnings	24,868,535	16,386,392	4
5	Accumulated Other Comprehensive Income	0	(66,503)	5
	Total Common Stock Equity	83,755,206	64,936,560	
6	Long-Term Debt	108,000,000	79,000,000	6
7	Total Capitalization	191,755,206	143,936,560	7
8	Current Liabilities			8
9	Accounts Payable - Net	11,057,084	13,972,847	9
10	Intercompany Payables - Net	6,782,852	4,618,400	10
11	Interest Accrued	2,870,339	1,770,280	11
12	Income Taxes Accrued	(107,696)	(14,981)	12
13	Other Taxes Accrued	1,705,497	1,597,695	13
14	Customer Deposits	4,082,476	3,875,064	14
15	Derivative Instrument Liabilities	18,156,030	733,099	15
16	Other	3,348,770	2,299,822	16
	Total Current Liabilities	47,895,352	28,119,127	
17	Deferred Credits and Other Liabilities			17
18	Customer Advances for Construction	12,605,744	11,025,375	18
19	Other Regulatory Liabilities	7,537,488	11,408,335	19
20	Accumulated Deferred Income Taxes	10,272,625	4,263,085	20
21	Other	12,703,130	3,762,777	21
	Total Deferred Credits and Other Liabilities	43,118,987	30,459,572	
22	Total Liabilities and Stockholders' Equity	\$282,769,545	\$202,515,259	22

Supporting Schedules
E-9 BMGS

Recap Schedules
A-3 BMGS

Black Mountain Generating Station

Schedule E-2
Page 1 of 1

UNS Electric, Inc.

Comparative Income Statements

Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	Prior Years Ended December 31,		Line No.
		2007	2006	
		December 31,		
		2008		
(a) Operating Revenues				
1	Electric Retail Revenues	\$181,638,915	\$165,145,363	1
2	Sales for Resale	10,168,115	234,273	2
3	Other Operating Revenue	3,103,658	3,579,133	3
4	Total Operating Revenues	194,910,688	168,958,769	4
(a) Operating Expenses				
5	Fuel, Purchased Power & Transmission	143,362,723	118,202,312	5
6	Other Operations and Maintenance Expense	21,409,649	21,821,189	6
7	Depreciation and Amortization	14,429,415	14,058,503	7
8	Taxes Other than Income Taxes	3,680,634	3,405,522	8
9	Income Taxes	2,081,685	2,287,495	9
10	Total Operating Expenses	184,964,106	159,775,021	10
11	Operating Income	9,946,582	9,183,748	11
Total Other Income and Deductions				
12	Allowance for Equity Funds	322,168	442,088	12
13	Other - Net	76,881	828,932	13
14	Total Other Income and Deductions	399,049	1,271,020	14
15	Income Before Interest Expense	10,345,631	10,454,768	15
Interest Expense				
16	Interest on Long Term-Debt	6,546,248	6,272,775	16
17	Other Interest Expense	217,612	187,435	17
18	Allowance for Borrowed Funds	(181,815)	(739,701)	18
19	Total Interest Expense	6,582,045	5,700,509	19
20	Net Income Available for Common Stock	\$3,763,586	\$4,754,259	20
21	Earnings Per Share of Average Common Stock Outstanding (1)	N/A	N/A	21

(1) UNS Electric, Inc. is a subsidiary of UniSource Energy Corporation and has no publicly traded stock; thus such information is not meaningful.

Supporting Schedules

(a) E-6 BMGS
E-9 BMGS

Recap Schedules

A-2 BMGS

UNS Electric, Inc.
Comparative Statements of Changes in Stockholders' Equity (Deficit)
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006
(Thousands of Dollars, except shares outstanding)

Line No.	Description	Common Stock Shares Outstanding	Common Stock Amount	Premium on Common Stock	Common Stock Expense	Accumulated Earnings or (Deficit)	Comprehensive Income	Total Common Stock Equity or (Deficit)	Line No.
1	Balance, December 31, 2005	1,000	\$38,617	\$0	\$0	\$11,281	\$0	\$49,898	1
2	Net Income for Year					5,105		5,105	2
3	Dividend Declared					0		0	3
4	Equity in Earnings					0		0	4
5	Minimum Pension Liability Adjustment						(66)	(66)	5
6	Equity Contribution from UniSource Energy Services		10,000					10,000	6
7	Other	0	0					0	7
8	Balance, December 31, 2006	1,000	48,617	0	0	16,386	(66)	64,937	8
9	Net Income for Year					4,754		4,754	9
10	Dividend Declared					0		0	10
11	Equity in Earnings					0		0	11
12	Minimum Pension Liability Adjustment						98	98	12
13	Equity Contribution from UniSource Energy Services		10,000					10,000	13
14	Other	0	0					0	14
15	Balance, December 31, 2007	1,000	58,617	0	0	21,140	32	79,789	15
16	Net Income for Year					3,764		3,764	16
17	Dividend Declared					0		0	17
18	Equity in Earnings							0	18
19	Pension Plan Measurement Date Change (FAS 158)					(36)		(36)	19
20	Minimum Pension Liability Adjustment						(32)	(32)	20
21	Equity Contribution from UniSource Energy Services		270					270	21
22	Balance, December 31, 2008	1,000	\$58,887	\$0	\$0	\$24,868	\$0	\$83,755	22

Supporting Schedules
N/A

Recap Schedules
N/A

Black Mountain Generating Station

Schedule E-5
Page 1 of 5

UNS Electric, Inc.
Detail of Electric Utility Plant - Summary Statement
Test Year Ended December 31, 2008

Line No.	Description	December 31, 2008 (a)	Net Additions (a)	December 31, 2007 (a)	Line No.
1	Utility Plant in Service				1
	Intangible Plant	\$7,674,489	(\$3,059,845)	\$10,734,334	
2	Other Production Plant	26,588,575	124,716	26,463,859	2
3	Transmission Plant	56,687,630	601,401	56,086,229	3
4	Distribution Plant	333,221,584	20,379,337	312,842,247	4
5	General Plant	22,741,278	(197,734)	22,939,012	5
6	Gross Plant in Service	446,913,556	17,847,875	429,065,681	6
7	Construction Work in Progress	18,758,596	4,363,112	14,395,484	7
8	Plant Held for Future Use	610,695	549,949	60,746	8
9	Utility Plant Under Capital Leases	730,678	0	730,678	9
10	Citizens Acquisition Discount	(104,266,123)	0	(104,266,123)	10
11	Total Utility Plant	362,747,402	22,760,936	339,986,466	11
12	Accumulated Depreciation and Amortization	(193,348,359)	(13,097,043)	(180,251,316)	12
13	Accumulated Amortization - Capital Leases	(517,563)	(91,335)	(426,228)	13
14	Accumulated Amort. - Citizens Acquisition Discount	23,513,716	4,312,160	19,201,556	14
15	Total Accumulated Depreciation and Amortization	(170,352,206)	(8,876,218)	(161,475,988)	15
16	Total Net Utility Plant in Service	\$192,395,196	\$13,884,718	\$178,510,478	16

Supporting Schedules
(a) E-5 (P2-4) BMGS

Recap Schedules
E-1 BMGS

Black Mountain Generating Station

Schedule E-5
Page 2 of 5

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
Utility Plant in Service						
1	302	Intangible Plant				1
2	303	Franchises & Consents	\$0	(\$11,908)	\$11,908	2
3		Miscellaneous Intangible Plant	7,674,489	(3,047,937)	10,722,426	3
		Total Intangible Plant	7,674,489	(3,059,845)	10,734,334	
Other Production Plant						
4	340	Land & Rights	205,436	104,633	100,803	4
5	341	Structures & Improvements	1,969,407	0	1,969,407	5
6	342	Fuel Holders, Producers, & Accessories	847,308	0	847,308	6
7	343	Prime Movers	13,419,272	20,083	13,399,189	7
8	344	Generators	6,304,468	0	6,304,468	8
9	345	Accessory Electric Equipment	2,513,408	0	2,513,408	9
10	346	Misc. Power Plant Equipment	1,329,276	0	1,329,276	10
11		Total Other Production Plant	26,588,575	124,716	26,463,859	11
Transmission Plant						
12	350	Land & Rights	1,431,088	175,205	1,255,883	12
13	352	Structures & Improvements	427,830	0	427,830	13
14	353	Station Equipment	18,912,564	(37,451)	18,950,015	14
15	354	Towers & Fixtures	521,825	0	521,825	15
16	355	Poles & Fixtures	20,666,171	5,455,521	15,210,650	16
17	356	Overhead Conductors & Devices	14,516,855	(4,991,874)	19,508,729	17
18	358	Underground Conductors & Devices	27,437	0	27,437	18
19	359	Roads & Trails	183,860	0	183,860	19
20		Total Transmission Plant	56,687,630	601,401	56,086,229	20
Distribution Plant						
21	360	Land & Rights	1,354,701	20,341	1,334,360	21
22	361	Structures & Improvements	5,690,805	241,820	5,448,985	22
23	362	Station Equipment	39,478,232	4,519,778	34,958,454	23
24	364	Poles, Towers, & Fixtures	85,011,451	3,515,378	81,496,073	24
25	365	Overhead Conductors & Devices	58,977,790	2,297,391	56,680,399	25
26	366	Underground Conduit	16,265,133	1,110,811	15,154,322	26
27	367	Underground Conductors & Devices	37,799,476	3,102,358	34,697,118	27
28	368	Line Transformers	62,000,112	3,931,964	58,068,148	28
29	369	Services	13,400,906	2,150,002	11,250,904	29
30	370	Meters	9,135,761	(723,197)	9,858,958	30
31	373	Street Lights and Signal Systems	4,107,217	212,891	3,894,326	31
32		Total Distribution Plant	333,221,584	20,379,337	312,842,247	32

Supporting Schedules
N/A

Recap Schedules
E-5 (P1) BMGS

Black Mountain Generating Station

Schedule E-5
Page 3 of 5

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
33	389	General Plant				33
34	390	Land & Rights	45,767	(11,813)	57,580	34
35	391	Structures & Improvements	2,611,428	140,573	2,470,855	35
36	392	Office Furniture & Equipment	2,245,063	(879,393)	3,124,456	36
37	393	Transportation Equipment	9,443,355	1,313,260	8,130,095	37
38	394	Stores Equipment	118,860	(6,381)	125,241	38
39	395	Tools, Shop, & Garage Equipment	2,666,594	(66,958)	2,733,552	39
40	396	Laboratory Equipment	1,430,917	41,550	1,389,367	40
41	397	Power Operated Equipment	1,879,461	242,197	1,637,264	41
42	398	Communication Equipment	2,175,606	(945,858)	3,121,464	42
43		Miscellaneous Equipment	124,227	(24,911)	149,138	43
		Total General Plant	22,741,278	(197,734)	22,939,012	
44		Total Electric Plant in Service	\$446,913,556	\$17,847,875	\$429,065,681	44

Supporting Schedules
N/A

Recap Schedules
E-5 (P1) BMGS

Black Mountain Generating Station

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Schedule E-5
Page 4 of 5

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
Citizens Acquisition Discount						
1	302	Intangible Plant				1
2	303	Franchises & Consents	(\$6,564)	\$0	(\$6,564)	2
3		Miscellaneous Intangible Plant	(2,461,277)	0	(2,461,277)	3
		Total Intangible Plant	(2,467,841)	0	(2,467,841)	
Other Production Plant						
4	340	Land & Rights	(422,116)	0	(422,116)	4
5	341	Structures & Improvements	(149,938)	0	(149,938)	5
6	342	Fuel Holders, Producers, & Accessories	(301,386)	0	(301,386)	6
7	343	Prime Movers	(3,600,013)	0	(3,600,013)	7
8	344	Generators	(1,152,806)	0	(1,152,806)	8
9	345	Accessory Electric Equipment	(729,249)	0	(729,249)	9
10	346	Misc. Power Plant Equipment	(244,813)	0	(244,813)	10
11		Total Other Production Plant	(6,600,121)	0	(6,600,121)	11
Transmission Plant						
12	350	Land & Rights	(704,372)	0	(704,372)	12
13	352	Structures & Improvements	(33,630)	0	(33,630)	13
14	353	Station Equipment	(5,911,873)	0	(5,911,873)	14
15	354	Towers & Fixtures	(236,215)	0	(236,215)	15
16	355	Poles & Fixtures	(3,190,115)	0	(3,190,115)	16
17	356	Overhead Conductors & Devices	(3,718,428)	0	(3,718,428)	17
18	358	Underground Conductors & Devices	0	0	0	18
19	359	Roads & Trails	(65,832)	0	(65,832)	19
20		Total Transmission Plant	(13,860,465)	0	(13,860,465)	20
Distribution Plant						
21	360	Land & Rights	(642,985)	0	(642,985)	21
22	361	Structures & Improvements	(1,561,939)	0	(1,561,939)	22
23	362	Station Equipment	(9,648,864)	0	(9,648,864)	23
24	364	Poles, Towers, & Fixtures	(22,655,802)	0	(22,655,802)	24
25	365	Overhead Conductors & Devices	(13,519,363)	0	(13,519,363)	25
26	366	Underground Conduit	(4,511,041)	0	(4,511,041)	26
27	367	Underground Conductors & Devices	(5,562,021)	0	(5,562,021)	27
28	368	Line Transformers	(10,741,931)	0	(10,741,931)	28
29	369	Services	(4,012,470)	0	(4,012,470)	29
30	370	Meters	(3,060,324)	0	(3,060,324)	30
31	373	Street Lights and Signal Systems	(1,198,936)	0	(1,198,936)	31
32		Total Distribution Plant	(77,115,676)	0	(77,115,676)	32

Recap Schedules
E-5 (P1) BMGS

Supporting Schedules
N/A

UNS Electric, Inc.
Detail of Electric Utility Plant
Test Year Ended December 31, 2008

Line No.	Acct. No.	Description	December 31, 2008	Net Additions	December 31, 2007	Line No.
Citizens Acquisition Discount						
33	389	General Plant				33
34	390	Land & Rights	(31,735)	0	(31,735)	34
35	391	Structures & Improvements	(633,826)	0	(633,826)	35
36	392	Office Furniture & Equipment	(1,133,957)	0	(1,133,957)	36
37	393	Transportation Equipment	(522,769)	0	(522,769)	37
38	394	Stores Equipment	(40,540)	0	(40,540)	38
39	395	Tools, Shop, & Garage Equipment	(859,128)	0	(859,128)	39
40	396	Laboratory Equipment	(361,879)	0	(361,879)	40
41	397	Power Operated Equipment	(172,278)	0	(172,278)	41
42	397	Communication Equipment	(443,854)	0	(443,854)	42
43	398	Miscellaneous Equipment	(22,054)	0	(22,054)	43
		Total General Plant	<u>(4,222,020)</u>	<u>0</u>	<u>(4,222,020)</u>	
44		Total Electric Plant in Service	<u>(\$104,266,123)</u>	<u>\$0</u>	<u>(\$104,266,123)</u>	44

Supporting Schedules
N/A

Recap Schedules
E-5 (P1) BMGS

Black Mountain Generating Station

Schedule E-6
Page 1 of 1

UNS Electric, Inc.
Comparative Departmental Operating Income Statements
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31, 2008	2007	2006	Line No.
1	Operating Revenues				1
2	Electric Retail Revenues				2
3	Residential	\$92,231,621	\$85,759,676	\$80,963,265	3
4	Commercial	69,412,607	63,570,755	61,609,184	4
5	Industrial	19,626,605	15,431,353	14,790,709	5
6	Public Street & Highway Lighting	368,082	383,579	473,189	6
	Total Retail Revenues	181,638,915	165,145,363	157,836,347	7
7	Sales for Resale	10,168,115	234,273	244,910	8
8	Other Operating Revenue	3,103,658	3,579,133	1,685,143	9
9	Total Operating Revenues	194,910,688	168,958,769	159,766,400	10
10	Operating Expenses				11
11	Fuel, Purchased Power & Transmission	143,362,723	118,202,312	113,298,260	12
12	Other Operations and Maintenance Expense	21,409,649	21,821,189	18,818,828	13
13	Depreciation and Amortization	14,429,415	14,058,503	11,209,910	14
14	Taxes Other than Income Taxes	3,680,634	3,405,522	3,305,592	15
15	Income Taxes	2,081,685	2,287,495	3,130,229	
	Total Operating Expenses	184,964,106	159,775,021	149,762,819	
16	Operating Income	\$9,946,582	\$9,183,748	\$10,003,581	

Supporting Schedules
N/A

Recap Schedules
E-2 BMGS

Black Mountain Generating Station

Schedule E-7
Page 1 of 1

UNS Electric, Inc.
Electric Operating Statistics
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31, 2008	Prior Years Ended December 31,		Line No.
			2007	2006	
kWh Sales					
1	Residential	821,890,198	853,498,581	803,354,009	1
2	Commercial	619,278,699	626,488,214	609,828,702	2
3	Industrial	219,002,990	198,728,216	191,171,477	3
4	Public Street & Highway Lighting	3,145,228	3,116,797	3,275,362	4
5	Total	<u>1,663,317,115</u>	<u>1,681,831,808</u>	<u>1,607,629,550</u>	5
Average Number of Customers					
6	Residential	78,373	78,031	75,702	6
7	Commercial	9,815	9,467	8,640	7
8	Industrial	17	14	15	8
9	Public Street & Highway Lighting	1,781	1,960	2,528	9
10	Total	<u>89,986</u>	<u>89,472</u>	<u>86,885</u>	10
Average Annual kWh Use					
11	Residential	10,487	10,938	10,612	11
12	Commercial	63,096	66,176	70,582	12
13	Industrial	12,695,826	14,194,873	12,744,765	13
14	Public Street & Highway Lighting	1,766	1,590	1,296	14
15	Total	<u>18,484</u>	<u>18,797</u>	<u>18,503</u>	15
16	Average Annual Revenue per Residential Customer	\$1,024	\$1,098	\$1,068	16
Direct Production Expenses					
17	Per Retail and Wholesale kWh Sold (cents) (Expenses are primarily purchased power)	7.53	6.75	6.66	17
Direct Transmission Expenses					
18	Per Retail and Wholesale kWh Sold (cents) (Expenses are primarily transmission of electricity by others)	0.46	0.46	0.46	18

Supporting Schedules
N/A

Recap Schedules
N/A

Black Mountain Generating Station

Schedule E-8
Page 1 of 1

UNS Electric, Inc.
Taxes Charged to Operations
Test Year Ended December 31, 2008 and Prior Years Ended December 31, 2007 and 2006

Line No.	Description	December 31, 2008	Prior Years Ended December 31, 2007	Prior Years Ended December 31, 2006	Line No.
Federal Taxes					
1	Income	(\$3,812,582)	\$1,817,863	\$4,999,172	1
2	Unemployment	5,619	5,350	5,207	2
3	FICA	398,755	355,213	339,566	3
4	Deferred Income Taxes	5,191,492	46,584	(2,436,520)	4
5	Total	<u>1,783,284</u>	<u>2,224,990</u>	<u>2,907,425</u>	5
State Taxes					
6	Income	(139,010)	318,033	891,361	6
7	Unemployment	6,428	7,196	7,735	7
8	Deferred Income Taxes	841,785	105,036	(323,783)	8
9	Total	<u>709,203</u>	<u>430,265</u>	<u>575,313</u>	9
Local Taxes					
10	Real and Personal Property	3,186,420	3,033,234	2,950,175	10
11	Other	83,413	4,529	2,908	11
12	Total	<u>3,269,833</u>	<u>3,037,763</u>	<u>2,953,083</u>	12
13	Total Taxes Charged to Operating Expenses	<u>\$5,762,320</u>	<u>\$5,693,018</u>	<u>\$6,435,821</u>	13

Note: Taxes and assessments related to sales of energy are not included in revenues or other tax expense categories.

Supporting Schedules
N/A

Recap Schedules
E-2 BMGS

UNS Electric, Inc.
Test Year Ended December 31, 2008
Notes to Financial Statements

See the attached FERC Form 1 as of December 31, 2008.

Supporting Schedules
N/A

Recap Schedules
N/A

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. _____

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2011)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2011)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 1/31/2012)



FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

UNS Electric, Inc.

Year/Period of Report

End of 2008/Q4

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION

01 Exact Legal Name of Respondent UNS Electric, Inc.		02 Year/Period of Report End of <u>2008/Q4</u>
03 Previous Name and Date of Change (if name changed during year) <div style="text-align: center;">/ /</div>		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) One South Church Avenue, Suite 100 Tucson, Arizona 85701		
05 Name of Contact Person Karen G. Kissinger		06 Title of Contact Person Vice President and Controller
07 Address of Contact Person (Street, City, State, Zip Code) 3950 E Irvington Road Tucson, Arizona 85714		
08 Telephone of Contact Person, Including Area Code (520) 571-4000	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/18/2009

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Kevin P. Larson	03 Signature Kevin P. Larson	04 Date Signed (Mo, Da, Yr) 04/18/2009
02 Title Vice President and Treasurer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	N/A
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	N/A
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	N/A
17	Electric Plant Held for Future Use	214	
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	N/A
21	Materials and Supplies	227	
22	Allowances	228-229	N/A
23	Extraordinary Property Losses	230	N/A
24	Unrecovered Plant and Regulatory Study Costs	230	N/A
25	Transmission Service and Generation Interconnection Study Costs	231	
26	Other Regulatory Assets	232	
27	Miscellaneous Deferred Debits	233	
28	Accumulated Deferred Income Taxes	234	
29	Capital Stock	250-251	
30	Other Paid-in Capital	253	
31	Capital Stock Expense	254	N/A
32	Long-Term Debt	256-257	
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
34	Taxes Accrued, Prepaid and Charged During the Year	262-263	
35	Accumulated Deferred Investment Tax Credits	266-267	N/A
36	Other Deferred Credits	269	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
LIST OF SCHEDULES (Electric Utility) (continued)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	N/A	
38	Accumulated Deferred Income Taxes-Other Property	274-275		
39	Accumulated Deferred Income Taxes-Other	276-277		
40	Other Regulatory Liabilities	278		
41	Electric Operating Revenues	300-301		
42	Sales of Electricity by Rate Schedules	304		
43	Sales for Resale	310-311		
44	Electric Operation and Maintenance Expenses	320-323		
45	Purchased Power	326-327		
46	Transmission of Electricity for Others	328-330		
47	Transmission of Electricity by ISO/RTOs	331	N/A	
48	Transmission of Electricity by Others	332		
49	Miscellaneous General Expenses-Electric	335		
50	Depreciation and Amortization of Electric Plant	336-337		
51	Regulatory Commission Expenses	350-351		
52	Research, Development and Demonstration Activities	352-353	N/A	
53	Distribution of Salaries and Wages	354-355		
54	Common Utility Plant and Expenses	356	N/A	
55	Amounts included in ISO/RTO Settlement Statements	397	N/A	
56	Purchase and Sale of Ancillary Services	398		
57	Monthly Transmission System Peak Load	400		
58	Monthly ISO/RTO Transmission System Peak Load	400a	N/A	
59	Electric Energy Account	401		
60	Monthly Peaks and Output	401		
61	Steam Electric Generating Plant Statistics	402-403		
62	Hydroelectric Generating Plant Statistics	406-407	N/A	
63	Pumped Storage Generating Plant Statistics	408-409	N/A	
64	Generating Plant Statistics Pages	410-411	N/A	
65	Transmission Line Statistics Pages	422-423		
66	Transmission Lines Added During the Year	424-425		

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Substations	426-427	
68	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input type="checkbox"/> Four copies will be submitted</p> <p><input checked="" type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Karen Kissinger, Vice President and Controller
3950 E. Irvington Road
Tucson, Arizona 85714

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Arizona, January 14, 2003

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable.

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric Utility Service within the State of Arizona.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) ☐ Yes...Enter the date when such independent accountant was initially engaged:
(2) ☒ No

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

As of December 31, 2008, UNS Electric, Inc. was 100% owned by Unisource Energy Services, Inc. which is 100% owned by UniSource Energy Corporation.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
OFFICERS					
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>					
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)		
1	President	James S. Pignatelli*	726,000		
2	Vice President and Secretary	Raymond S. Heyman	316,000		
3	Vice President and Treasurer	Kevin P. Larson	316,000		
4	Vice President and Controller	Karen G. Kissinger	249,000		
5	Vice President and General Manager	Thomas J. Ferry*			
6	Vice President	Thomas A. McKenna	193,000		
7	Vice President	David G. Hutchens	206,000		
8	Vice President	Philip J. Dion*	175,000		
9					
10	* See Footnote				
11					
12	The reported salaries are presented in total for each				
13	employee. Only a portion thereof is allocated to				
14	UNS Electric, Inc.				
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 10 Column: a

Thomas J. Ferry, V.P. and GM retired effective February 1, 2008. Effective March 1, 2008, Philip Dion was elected Vice President. James S. Pignatelli retired effective December 2008. Paul J. Bonavia became President in January 2009.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	James S. Pignatelli, President	Tucson, Arizona
2	Michael J. DeConcini, Sr. Vice President	Tucson, Arizona
3	Raymond S. Heyman, Vice President and Secretary	Tucson, Arizona
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5	See Footnote	
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 105 Line No.: 5 Column: a

The UNN Electric Board does not have an Executive Committee. James S. Pignatelli retired effective December 2008. Paul J. Bonavia became President in January 2009.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/18/2009	Year/Period of Report End of 2008/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. State the estimated annual effect and nature of any important wage scale changes during the year. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest. (Reserved.) If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio. 			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNSE Electric, Inc.			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. None
4. None
5. UNS Electric completed construction of 9.03 miles (47,721 feet) of 69kV transmission line on single pole steel structures. The line was energized on Sept. 16, 2008. The line was constructed for the purpose of providing Mercator Mine with the additional load requirements needed for their phase I mining expansion. The mine will be ramping up from approx. 8MW to 20/25 MW at full Phase I expansion. No state territory was added or relinquished and there were no customers added or lost in association with this additional line.
6. On August 7, 2008, UNS Electric issued \$100 million of senior unsecured debt; \$50 million at 6.5%, due 2015 and \$50 million at 7.1%, due 2023 (UNS Electric 2008 Long-Term Debt). The UNS Electric 2008 Long-Term Debt is guaranteed by UES. The debt was issued under ACC Decision No. 69395 dated March 22, 2007. See Note 6 Debt and Capital Lease Obligations.
7. None
8. Both union and non-union employees received an average wage increase of approximately 3% in January 2008.
9. There are no material pending legal or regulatory proceedings to which UNSE is a party, other than the following which are described in Note 2 Regulatory Matters or Note 4 Commitments:
 - 2008 Rate Order
 - Purchased Power and Fuel Adjustment Clause (PPFAC)
 - Purchased Power Agreement
 - Income Statement impact of applying FAS 71
 - Fuel and power transactions
10. None
11. N/A
12. See notes on pages 122 and 123.
13. Gail Boswell was elected Assistant Treasurer on May 2, 2008. Tom Ferry retired as Vice President and General Manager effective February 1 2008. James S. Pignatelli, President, retired effective December 31, 2008. Paul J. Bonavia was elected President effective January 1, 2009.
14. N/A

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114)	200-201	448,254,929	429,857,106	
3	Construction Work in Progress (107)	200-201	18,758,596	14,395,484	
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		467,013,525	444,252,590	
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	274,618,330	265,742,112	
6	Net Utility Plant (Enter Total of line 4 less 5)		192,395,195	178,510,478	
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0	
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0	
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0	
10	Spent Nuclear Fuel (120.4)		0	0	
11	Nuclear Fuel Under Capital Leases (120.6)		0	0	
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0	
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0	
14	Net Utility Plant (Enter Total of lines 6 and 13)		192,395,195	178,510,478	
15	Utility Plant Adjustments (116)	122	0	0	
16	Gas Stored Underground - Noncurrent (117)		0	0	
17	OTHER PROPERTY AND INVESTMENTS				
18	Nonutility Property (121)		521,164	629,027	
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0	
20	Investments in Associated Companies (123)		0	0	
21	Investment in Subsidiary Companies (123.1)	224-225	0	0	
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)				
23	Noncurrent Portion of Allowances	228-229	0	0	
24	Other Investments (124)		0	0	
25	Sinking Funds (125)		0	0	
26	Depreciation Fund (126)		0	0	
27	Amortization Fund - Federal (127)		0	0	
28	Other Special Funds (128)		0	0	
29	Special Funds (Non Major Only) (129)		0	0	
30	Long-Term Portion of Derivative Assets (175)		1,517,124	7,779,094	
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0	
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		2,038,288	8,408,121	
33	CURRENT AND ACCRUED ASSETS				
34	Cash and Working Funds (Non-major Only) (130)		0	0	
35	Cash (131)		4,635,779	1,563,904	
36	Special Deposits (132-134)		6,631,340	11,340	
37	Working Fund (135)		28,623	20,784	
38	Temporary Cash Investments (136)		4,170,669	1,102,702	
39	Notes Receivable (141)		0	0	
40	Customer Accounts Receivable (142)		10,890,931	10,843,445	
41	Other Accounts Receivable (143)		887,753	421,379	
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,378,758	848,012	
43	Notes Receivable from Associated Companies (145)		0	0	
44	Accounts Receivable from Assoc. Companies (146)		4,052,567	243,223	
45	Fuel Stock (151)	227	20,661	22,302	
46	Fuel Stock Expenses Undistributed (152)	227	0	0	
47	Residuals (Elec) and Extracted Products (153)	227	0	0	
48	Plant Materials and Operating Supplies (154)	227	8,196,620	7,297,703	
49	Merchandise (155)	227	0	0	
50	Other Materials and Supplies (156)	227	0	0	
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0	
52	Allowances (158.1 and 158.2)	228-229	0	0	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	766,750	357,967
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		896,582	515,301
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		70,000	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		9,992,135	8,144,965
62	Miscellaneous Current and Accrued Assets (174)		260,000	0
63	Derivative Instrument Assets (175)		3,101,928	11,214,060
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		1,517,124	7,779,094
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		51,706,456	33,131,969
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		727,761	190,745
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	26,602,011	1,803,770
73	Prelim. Survey and Investigation Charges (Electric) (183)		367,591	367,591
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	3,068	604,406
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reacquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	8,929,175	10,532,742
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		36,629,606	13,499,254
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		282,769,545	233,549,822

[illegible]

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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	194,910,688	168,958,769		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	162,097,302	135,881,877		
5	Maintenance Expenses (402)	320-323	2,616,736	4,141,624		
6	Depreciation Expense (403)	336-337	17,444,031	16,923,124		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	1,217,115	1,422,650		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	-4,231,731	-4,287,271		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		58,333			
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	3,680,634	3,405,522		
15	Income Taxes - Federal (409.1)	262-263	-3,812,582	1,817,863		
16	- Other (409.1)	262-263	-139,010	318,033		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	12,945,552	3,788,564		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	6,912,276	3,636,965		
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		184,964,104	159,775,021		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		9,946,584	9,183,748		

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STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		9,946,584	9,183,748			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		651	-6,218			
33	Revenues From Nonutility Operations (417)		228,035	78,651			
34	(Less) Expenses of Nonutility Operations (417.1)		153,116	35,024			
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)		207,301	289,104			
38	Allowance for Other Funds Used During Construction (419.1)		322,168	442,088			
39	Miscellaneous Nonoperating Income (421)						
40	Gain on Disposition of Property (421.1)		202,205	1,389,950			
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		805,942	2,170,987			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)	340					
45	Donations (426.1)	340	79,201	45,318			
46	Life Insurance (426.2)						
47	Penalties (426.3)						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		751	7,199			
49	Other Deductions (426.5)			1,080			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		79,952	53,597			
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263					
53	Income Taxes-Federal (409.2)	262-263	268,323	694,622			
54	Income Taxes-Other (409.2)	262-263	58,618	151,748			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277					
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277					
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		326,941	846,370			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		399,049	1,271,020			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		6,379,163	6,053,308			
63	Amort. of Debt Disc. and Expense (428)		167,085	219,467			
64	Amortization of Loss on Required Debt (428.1)						
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)	340					
68	Other Interest Expense (431)	340	217,612	167,435			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		181,815	739,701			
70	Net Interest Charges (Total of lines 62 thru 69)		6,582,045	5,700,509			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		3,763,588	4,754,259			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		3,763,588	4,754,259			

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STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		21,140,651	16,386,392
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	FAS 158 Pension Plan Change		-35,703	
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)		-35,703	
16	Balance Transferred from Income (Account 433 less Account 418.1)		3,763,587	4,754,259
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		24,868,535	21,140,651
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	3,764,000	4,754,000
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	13,574,000	13,020,000
5	Amortization of Deferred Debt-Related Costs	154,000	219,000
6	Provision for Bad Debt	1,201,000	763,000
7	Other	-1,127,000	8,505,000
8	Deferred Income Taxes (Net)	6,034,000	152,000
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	-6,232,000	-1,977,000
11	Net (Increase) Decrease in Inventory	-1,306,000	160,000
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	2,633,000	-1,209,000
14	Net (Increase) Decrease in Other Regulatory Assets	-25,058,000	-395,000
15	Net Increase (Decrease) in Other Regulatory Liabilities	-11,585,000	7,714,000
16	(Less) Allowance for Other Funds Used During Construction	322,000	442,000
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	31,391,000	-9,270,000
19			
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	13,121,000	21,994,000
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-29,664,000	-37,582,000
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant	108,000	-629,000
30	(Less) Allowance for Other Funds Used During Construction	-322,000	-442,000
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-29,234,000	-37,769,000
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38	Proceeds from Sale of Land	80,000	1,376,000
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
 (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
 (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
 (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-29,154,000	-36,393,000
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	100,000,000	
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65	Borrowings under Revolving Credit Facility	26,000,000	14,000,000
66	Net increase in Short-Term Debt (c)		
67	Other	1,326,000	2,835,000
68	Equity Investment from UniSource Energy		10,000,000
69	Equity Investment in UNS Electric	270,000	
70	Cash Provided by Outside Sources (Total 61 thru 69)	127,596,000	26,835,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-60,000,000	
74	Preferred Stock		
75	Common Stock		
76	Other	-1,320,000	-7,512,000
77	Payment to Retire Capital Lease Obligation	-104,000	-85,000
78	Net Decrease in Short-Term Debt (c)		
79	Borrowings under Revolving Credit Facility	-44,000,000	-7,000,000
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	22,172,000	12,238,000
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	6,139,000	-2,161,000
87			
88	Cash and Cash Equivalents at Beginning of Period	2,667,000	4,828,000
89			
90	Cash and Cash Equivalents at End of period	8,806,000	2,667,000

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: a

	2008	2007
Current Assets	\$ 16,479,000	\$
Current Liabilities	14,912,000	(9,270,000)
	\$ 31,391,000	\$ (9,270,000)

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/18/2009	Year/Period of Report End of 2008/Q4
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less.

The "Cash and Cash Equivalents" on page 121 agrees to the Comparative Balance Sheet on page 110.

Cash (Account 131)	\$ 4,635,779
Temporary Cash Investments (Account 136)	\$ 4,170,669
Total Cash and Cash Equivalents at End of Period	\$ 8,806,448

Page 120, Instruction 3:

Interest Paid (Net of Amounts Capitalized)	\$ 4,998,000
Income Taxes Paid	\$ 1,200,000

Page 122, Instruction 2:

See Note 7, Commitments and Contingencies in the Notes to the Financial Statements.

Page 122, Instruction 6:

Notes to the Financial Statements as follows:

NOTE 1. NATURE OF OPERATIONS

UNN Electric, Inc. (UNN Electric) is an electric transmission and distribution company serving approximately 90,000 retail customers in Mohave and Santa Cruz counties. UniSource Energy Services, Inc. (UES), an intermediate holding company, owns all of the common stock of UNN Electric and UNN Gas, Inc. UniSource Energy Corporation (UniSource Energy) owns all of the common stock of UES.

References to "we" and "our" are to UNN Electric.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Our accounting policies conform to accounting principles generally accepted in the United States of America (GAAP), including the accounting principles for rate-regulated enterprises. These financial statements include UNN Electric's accounts which are prepared in accordance with the accounting requirements from the Federal Energy Regulatory Commission (FERC) as stated in its applicable Uniform System of Accounts and published accounting releases. The basis of accounting differs from financial statements under accounting principles generally accepted in the United States of America (GAAP) in significant respects. Following are the FERC to GAAP differences:

- **Statement of Cash Flows Difference**

The Statement of Cash Flows included in the financial statements differs from the GAAP presentation. The FERC requires the use of the indirect method to reconcile net income to cash provided by or used in operating activities while GAAP encourages the use of the direct method with a reconciliation of net income to net cash from the operating activities as a supplemental schedule.

- **Asset Retirement Obligation**

The accumulated net removal costs for UNN Electric's regulated plant assets that do not meet the definition of an asset retirement obligation under SFAS 143 are classified as a regulatory liability under GAAP and as accumulated depreciation under FERC.

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UNs Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

• **Other Differences**

The FERC requires current maturities of long-term debt to be classified as long-term debt, while GAAP requires such maturities to be classified as a current liability. Accumulated deferred income taxes are classified as current and non-current for GAAP, while FERC classifies all accumulated deferred taxes as non-current. Accumulated deferred income tax assets may not be netted against accumulated deferred income tax liabilities.

ACCOUNTING FOR RATE REGULATION

The Arizona Corporation Commission (ACC) and the Federal Energy Regulatory Commission (FERC) regulate portions of UNS Electric's utility accounting practices and electric rates. The ACC has authority over certain rates charged to retail customers, the issuance of securities, and transactions with affiliated parties. The FERC regulates UNS Electric's rates for wholesale power sales and interstate transmission services.

UNS Electric generally uses the same accounting policies and practices used by unregulated companies for financial reporting under GAAP. However, sometimes these principles, such as the Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation* (FAS 71), require special accounting treatment for regulated companies to show the effect of regulation. For example, in setting UNS Electric's retail rates, the ACC may not allow UNS Electric to currently charge our customers to recover certain expenses, but instead may require that these expenses be charged to customers in the future. In this situation, FAS 71 requires that UNS Electric defer these items and show them as regulatory assets on the balance sheet until we are allowed to charge our customers. UNS Electric then amortizes these items as expense to the income statement as those charges are recovered from customers. Similarly, certain revenue items may be deferred as regulatory liabilities, which are also eventually amortized to the income statement as rates to customers are reduced.

The conditions a regulated company must satisfy to apply the accounting policies and practices of FAS 71 include:

- an independent regulator sets rates;
- the regulator sets the rates to recover the specific costs of providing service; and
- the service territory lacks competitive pressures to reduce rates below the rates set by the regulator.

FAS 71 may, at some future date, be discontinued due to changes in the regulatory and competitive environments. If UNS Electric stopped applying FAS 71 to its regulated operations, it would write off the related balances of its regulatory assets as an expense and would write off its regulatory liabilities as income on its income statement. UNS Electric's cash flows would not be affected if it stopped applying FAS 71 unless a regulatory order limited its ability to recover the cost of its regulatory assets. We believe our electric operations continue to meet the criteria for FAS 71. See Note 3.

UTILITY PLANT

UNS Electric reports its utility plant at cost. Utility plant includes material and labor costs, contractor costs, construction overhead costs, and an allowance for funds used during construction (AFUDC). We charge maintenance and repairs to operating expense as incurred.

AFUDC represents the estimated cost of debt and equity funds that finance utility plant construction. We recover AFUDC in rates through depreciation expense over the useful life of the related asset. UNS Electric imputed the cost of capital on construction expenditures at an average rate of 8.84% for 2008 and 13.51% for 2007. The component of AFUDC attributable to borrowed funds is included as a reduction of Other Interest Expense on the income statement and totaled \$0.2 million in 2008 and \$0.7 million in 2007. The equity component is included in Interest Income and totaled \$0.3 million in 2008 and \$0.4 million in 2007.

We compute depreciation of utility plant on a straight-line basis over the service lives of the assets. The average annual depreciation rates for UNS Electric's utility plant were 4.47% in 2008 and 4.60% in 2007.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
UNS Electric, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/18/2009	2008/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less.

MATERIALS AND SUPPLIES

UNS Electric carries materials and supplies in inventory at the lower of average cost or market.

COMPUTER SOFTWARE COSTS

UNS Electric capitalizes all costs incurred to purchase computer software and amortizes those costs over the estimated economic life of the product. We would immediately expense capitalized computer software costs if the software were determined to be no longer useful.

DEBT

We defer costs related to the issuance of debt. These costs include underwriters' commissions, discounts or premiums, and other costs such as legal, accounting and regulatory fees and printing costs. We amortize these costs over the life of the debt using the straight-line method, which approximates the effective interest method. Unamortized debt issuance costs were \$0.7 million at December 31, 2008 and \$0.2 million at December 31, 2007. See Note 6.

UTILITY OPERATING REVENUES

UNS Electric records utility operating revenues when services are provided or commodities are delivered to customers. Operating revenues include unbilled revenues which are earned (service has been provided) but not billed by the end of an accounting period.

Amounts delivered are determined through systematic monthly readings of customer meters. At the end of the month, the usage since the last meter reading is estimated and the corresponding unbilled revenue is calculated. Unbilled revenue is calculated based on daily generation or purchased volumes, estimated customer usage by class, estimated line losses and estimated average customer rates. Accrued unbilled revenues are reversed the following month when actual billings occur. The accuracy of the unbilled revenue estimate is affected by factors that include fluctuations in energy demands, weather, line losses, and changes in the composition of customer classes.

UNS Electric has rate-adjustment mechanisms in place that allow for a revenue surcharge or surcredit (that adjusts the customer's base rate for delivered purchased power) to collect or return under- or over- recovery of costs. These rate-adjustment mechanisms are revised periodically and may increase or decrease the level of costs recovered through base rates for any difference between the total amount collected under the clauses and the recoverable costs incurred. See Note 3.

We record an allowance for our estimate of revenues billed for which collection is doubtful. UNSE establishes an allowance for doubtful accounts based on historical collection experience and any specific customer collection issues.

Other Revenues primarily consist of miscellaneous fees, including service connection and late fees, and rental revenue from pole attachments.

PURCHASED ENERGY COSTS

UNS Electric defers differences between purchased energy costs and the recovery of such costs in rates. UNS Electric adjusts future billings for such deferrals through the use of a Purchased Power and Fuel Adjustment Clause (PPFAC) approved by the ACC. The PPFAC allows for a revenue surcharge or surcredit (that adjusts the customers' base rate for delivered purchased power) to collect or return under or over recovery of costs.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNIS Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

RELATED PARTY TRANSACTIONS

UNIS Electric receives certain corporate, operation and administrative support services from affiliates. These costs consist primarily of employee compensation and benefits. Tucson Electric Power Company (TEP), a regulated public utility serving retail electric customers in southern Arizona, is UniSource Energy's largest operating subsidiary. Services from TEP totaled \$8 million in 2008 and in 2007. Services from UNIS Gas totaled \$0.1 million in 2008 and in 2007. Southwest Energy Solutions, Inc., another UniSource Energy affiliate, charged UNIS Electric \$0.9 million in 2008 and \$1 million in 2007 for meter reading services.

In 2008, TEP and UNIS Electric began selling power to each other at prices based on the Dow Jones Four Corners Daily Index. TEP had wholesale power sales to UNIS Electric of \$24 million. UNIS Electric had wholesale power sales of \$9 million to TEP.

In 2008, TEP charged UNIS Electric \$2 million for control area services. No such services were provided in 2007.

In May 2008, UED began providing energy from its Black Mountain Generating Station (BMGS) to UNIS Electric, through a power sale agreement. UED charged UNIS Electric \$7 million for this energy. UNIS Gas charged UNIS Electric \$7 million for gas used by the BMGS facility.

INCOME TAXES

GAAP requires us to report some of our assets and liabilities differently for our financial statements than we do for income tax purposes. We reflect the tax effects of these differences as deferred income tax assets or liabilities in our balance sheets. We measure these deferred tax assets and liabilities using current income tax rates. Federal and state income tax credits are accounted for as a reduction of income tax expense in the year in which the credit arises.

UNIS Electric is a member of the UniSource Energy consolidated income tax filing. UNIS Electric is allocated income taxes based on its taxable income and deductions as reported in the UniSource Energy consolidated and/or combined tax return filings. The tax liability is allocated in accordance with the income tax regulations. As a result, the regular tax liability of UNIS Electric is calculated on a stand alone basis and the liability is then owed to UniSource Energy through intercompany accounts. UniSource Energy has the ultimate responsibility for payment of consolidated tax liabilities to taxing authorities and maintaining intercompany tax accounts with its subsidiaries. The Alternative Minimum Tax (AMT) liability of UNIS Electric is also computed in accordance with tax regulations. This method for allocating consolidated AMT among group members considers the contribution that one member's AMT attributes provide in offsetting the consolidated AMT liability that would otherwise result if the member were not included in the consolidated group.

TAXES OTHER THAN INCOME TAXES

UNIS Electric acts as a conduit or collection agent for excise tax (sales tax) as well as franchise fees and regulatory assessments. UNIS Electric records liabilities payable to governmental agencies when it charges its customers for these amounts. Neither the amounts charged nor payable are reflected in the income statement.

RENEWABLE ENERGY STANDARDS TARIFF (REST)

In June 2008, the ACC approved a REST surcharge for UNIS Electric. The surcharge is intended to recover the cost of qualified renewable expenditures, such as payments to customers who have renewable energy resources or the incremental cost of renewable power generated or purchased by UNIS Electric. To the extent that the surcharge matches qualified renewable expenditures, UNIS Electric recognizes revenue that is reflected in the income statement as Other Revenue. Any surcharge collected in excess of qualified renewable expenditures will be reflected in the financial statements as a regulatory liability. Conversely, qualified renewable expenditures in excess of the REST surcharge will be reflected as a regulatory asset. See Note 3.

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UNS Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

DERIVATIVE FINANCIAL INSTRUMENTS

UNS Electric is exposed to energy price risk associated with its purchased power requirements, volumetric risk associated with its seasonal load and operational risk associated with its power plants, transmission and transportation systems. This risk is mitigated through the PPFAC mechanism which provides an adjustment to UNS Electric's retail rates to recover the actual costs of purchased power, transmission and transportation. UNS Electric further reduces its risks through a variety of derivative and non-derivative instruments. See Note 4.

On the date the company enters into a contract that is considered a derivative instrument, we apply one of the following accounting treatments:

- **Cash Flow Hedges:** UNS Electric has no cash flow hedges.
- **Mark-to-Market transactions:** UNS Electric derivatives such as forward power purchases and gas swaps that did not qualify for cash flow hedge accounting treatment or did not qualify for the normal scope exception. In December 2006, UNS Electric received authorization from the ACC to defer the unrealized gains and losses on the balance sheet as a regulatory asset or a regulatory liability rather than a component of AOCI or in the income statement.

These mark-to-market contracts are subject to specified risk parameters established and monitored by UniSource Energy's Risk Management Committee.

- **Normal Purchase and Normal Sale transactions** are forward energy purchase and sales contracts entered into by UNS Electric to support the current load forecast and entered into with counterparty with load serving requirements or generating capacity. These contracts are not required to be marked-to-market and are accounted for on an accrual basis. On an ongoing basis we evaluate our counterparties for non-performance risk to ensure it does not impact our ability to obtain the normal scope exception.

We consider the effect of counterparty credit risk in determining the fair value of derivative instruments that are in a net asset position, after incorporating collateral posted by counterparties, and allocate the credit risk adjustment to individual contracts. We also incorporate the impact of our own credit risk, after considering collateral posted, on instruments that are in a net liability position and allocate the credit risk adjustment to all individual contracts.

We present cash collateral and derivative assets and liabilities, associated with the same counterparty, separately in our financial statements and we bifurcate all derivatives into their current and long-term portions on the balance sheet.

FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIRVALUE

The carrying amounts of our current assets and liabilities approximate fair value because of the short maturity of these instruments.

UNS Electric's senior unsecured notes of \$100 million outstanding at December 31, 2008 and \$60 million outstanding at December 31, 2007 have estimated fair value of \$97 million and \$60 million, respectively. UNS Electric used quoted market prices, where available, or calculated the present value of remaining cash flows at the balance sheet date using current market rates for bonds with similar characteristics with respect to credit rating and time-to-maturity. In 2008, we also incorporate the impact of our own credit risk using a credit default swap rate when determining the fair value of fixed rate long-term debt.

The use of different market assumptions and/or estimation methodologies may yield different estimated fair value amounts.

Borrowings under the revolving credit facility outstanding of \$8 million at December 31, 2008 have an estimated fair value of \$8 million. UNS Electric considers the principal amounts of variable rate debt to be a reasonable estimate of their fair value.

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UNSC Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

EVALUATION OF ASSETS FOR IMPAIRMENT

UNSC Electric evaluates its Utility Plant and other long-lived assets for impairment whenever events or circumstances occur that may indicate the carrying value of the assets may be impaired. If the fair value of the asset, determined based on the undiscounted expected future cash flows, from the long-lived asset is less than the carrying value of the asset, impairment would be recorded.

ASSET RETIREMENT OBLIGATIONS

FASB Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations* (FAS 143) requires entities to record the fair value of a liability for a legal obligation to retire an asset in the period in which the liability is incurred. FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations* (FIN 47), requires entities to record the fair value of a liability regarding a legal obligation to perform asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. We record a liability when we are able to reasonably estimate the fair value of any future obligation to retire as a result of an existing or enacted law, statute, ordinance or contract. We also record a liability for the fair value of a conditional asset retirement obligation if the fair value can be reasonably estimated. When the liability is initially recorded, we capitalize a cost by increasing the carrying amount of the related long-lived asset. Over time, we adjust the liability to its present value by recognizing accretion expense as an operating expense in the income statement each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we either settle the obligation for its recorded amount or incur a gain or loss if the actual costs differ from the recorded liability amount.

UNSC Electric records cost of removal for its transmission and distribution assets through depreciation rates and recovers those amounts in rates charged to its customers. There are no legal obligations associated with these assets. UNSC Electric has recorded its obligation for estimated costs of removal as a component of accumulated depreciation.

RECENTLY ISSUED ACCOUNTING STANDARDS

UNSC Electric adopted the following recently issued accounting standards:

- FAS 157, *Fair Value Measurement*, issued September 2006, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. FAS 157 clarifies that the exchange price is the price in the principal market in which the reporting entity would transact for the asset or liability. See Note 10.
- FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active* – issued and effective October 2008, provides guidance clarifying how FAS 157 *Fair Value Measures* (FAS 157) should be applied in markets that are not active. The guidance reaffirms the notion of fair value as an exit price as of the measurement date. The FSP emphasizes that approaches other than the market value approach to determine fair value, such as the use of management's internal assumptions about future cash flows and appropriately risk-adjusted discount rates, may be appropriate. See Note 10.

The following recently issued accounting standards are not yet reflected in the UNSC Electric financial statements:

- FAS 161, *Disclosures About Derivative Instruments and Hedging Activities* an amendment to FAS 133, *Accounting for Derivative Instruments and Hedging Activities*, issued March 2008, requires enhanced disclosures about an entity's derivative and hedging activity. The standard requires that the objectives for using derivative instruments be disclosed in terms of underlying risk so that the reader understands the purpose of derivative use in terms of the risks that the entity is intending to manage. The standard also requires disclosure of the location in the financial statements of derivative balances as well as the location of gains and losses incurred during the reporting period. The standard will be applicable for fiscal years or interim periods beginning on or after November 15, 2008 with early adoption encouraged. We will adopt the requirements of this pronouncement in the first quarter of 2009.

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UNS Electric, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

- FSP FAS 132(R)-1 *Employers' Disclosures about Postretirement Benefit Plan Assets* issued in December 2008, amends Statement 132(R)-1 to require more detailed disclosures about employers' plan assets, including employers' investment strategies, major categories of plan assets, concentrations of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. We will adopt the requirements of this pronouncement in our December 31, 2009 year-end financial statements.

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. REGULATORY MATTERS

2008 UNS Electric Rate Order

In the May 2008 rate order, the ACC approved a rate increase of 2.5% (\$4 million) effective in June 2008. As a result of the May 2008 rate order limiting recovery of deferred rate case costs, UNS Electric expensed \$0.3 million of the \$0.6 million deferred costs in May 2008.

Purchased Power and Fuel Adjustment Clause (PPFAC)

UNS Electric's retail rates include a PPFAC, which allows for a separate surcharge or surcredit to the base rate for delivered purchased power to collect or return under- or over-recovery of costs. Allowable PPFAC costs include fuel, purchased power (less proceeds from most wholesale sales) and transmission costs.

As part of the May 2008 ACC rate order, a new PPFAC rate of approximately \$0.087 per kWh took effect on June 1, 2008. The PPFAC mechanism has a forward component and a true-up component. The forward component of the PPFAC rate is based on forecasted fuel and purchased power costs. The true-up component reconciles actual fuel and purchased power costs with the amounts collected in the preceding PPFAC year and any amounts to be refunded/collected from customers in the coming year's PPFAC rate. The true-up component is updated on June 1 of each year, beginning June 1, 2009. The retail rates prior to June 2008 included a charge for fuel and purchased power of approximately \$0.07 per kWh (base rate recovery of \$0.052 per kWh and a transmission surcharge of \$0.018).

The following table shows the balance of over-recovered purchased power costs:

	December 31,	
	2008	2007
	- Thousands of Dollars -	
Under (Over) Recovered Purchased Power Costs – Regulatory Basis as Billed to Customers	\$ 308	\$ (4,025)
Estimated Purchased Power Costs Recovered through Accrued Unbilled Revenues	(6,768)	(5,262)
(Over) Recovered Purchased Power Costs (PPFAC)	\$ (6,460)	\$ (9,287)

At December 31, 2008 and 2007, the PPFAC balance is reported as Regulatory Liabilities – Over-Recovered Purchased Energy Costs.

Purchased Power Agreement

In June 2008, UED and UNS Electric entered into a 5-year Power Purchase Agreement (PPA) under which UED sells all the output of BMGS to UNS Electric. The PPA is a tolling arrangement in which UNS Electric takes operational control of

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BMGS and assumes all risk of operation and maintenance costs, including fuel. UNS Electric accounts for the PPA as an operating lease. The costs associated with the PPA are recoverable through UNS Electric's PPAC.

Other Regulatory Assets and Liabilities

UNS Electric's regulatory assets and liabilities were as follows:

	December 31,	
	2008	2007
	- Thousands of Dollars -	
Regulatory Assets		
Derivatives Instruments (Acct. 182.3)	23,785	1,006
Pensions and Other Post Retirement Benefits (Acct. 182.3)	2,575	665
Self-Insured Medical and Short-Term Disability Assets (Acct. 174)	260	-
Rate Case Costs (Acct. 182.3)	241	600
Deferred Environmental Portfolio Costs (Acct. 182.3)	-	132
Regulatory Liabilities		
Net Cost of Removal for Interim Retirements (Acct. 108)	(10,548)	(2,067)
Renewable Energy Standards Tariff REST (Acct. 254)	(871)	-
Demand-Side Management (Acct. 254)	(207)	-
Derivative Instruments (Acct. 254)	-	(9,836)

Regulatory assets are either being collected in rates or are expected to be collected through rates in a future period, as described below:

- Derivative instruments represent the unrealized gains or losses on contracts entered into to hedge the variability of purchased energy costs that are expected to be recovered through the PPAC. UNS Electric does not earn a return on these costs.
- Pensions and Other Post Retirement Benefits represent the unfunded status of UNS Electric's share of the UES pension and other postretirement benefit plans that it expects, based on past regulatory actions, to recover through rates. UNS Electric does not earn a return on these costs.
- Self-Insured Medical and Short-Term Disability assets are recorded based on historical ratemaking treatment allowing UNS Electric to recover self-insured medical costs and short-term disability costs on a pay-as-you-go or cash basis. While these assets do not earn a return, they are fully recovered in rates over an approximate one-year period.
- In May 2008, the ACC approved recovery of \$300K of rate case costs, over 3 years. UNS Electric does not earn a return on the regulatory asset balance.

Regulatory liabilities represent items that UNS Electric expects to pay to customers through billing reductions in future periods or use for the purpose for which they were collected from customers, as described below:

- Net Cost of Removal for Interim Retirements represents an estimate of the cost of future asset retirement obligations. These are amounts collected through revenue for the net cost of removal of interim retirements for which removal costs have not yet been expended.
- Renewable Energy Standards Tariff (REST) represents the REST surcharge collected in excess of qualified renewable expenditures. The ACC approved a REST surcharge for UNS Electric, effective June 1, 2008, to allow UNS Electric to recover the cost of qualified renewable expenditures, such as payments to customers who have renewable energy resources or the incremental cost of renewable power generated or purchased by UNS Electric. Any surcharge collected in excess of qualified renewable expenditures will be reflected in the financial statements as a regulatory liability. Conversely, qualified renewable expenditures in excess of the REST surcharge will be reflected as a regulatory asset. The REST plan includes an adjustor mechanism which allows UNS Electric to file an application with the ACC to apply any shortage or surplus in the prior year's program expenses to the subsequent year's REST surcharge.

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- In May 2008, the ACC approved a Demand-Side Management (DSM) surcharge which is intended to cover UNS Electric's DSM programs such as Low Income Weatherization. Any surcharge collected in excess of qualified DSM expenditures will be reflected in the financial statements as a regulatory liability. Conversely, qualified DSM expenditures in excess of the surcharge will be reflected as a regulatory asset.

INCOME STATEMENT IMPACT OF APPLYING FAS 71

If UNS Electric had not applied FAS 71, net income would have been \$15 million lower in 2008 as UNS Electric would have recognized under-recovered purchased energy and unrealized losses on its commodity derivative instruments as an expense to its income statement, rather than as regulatory assets or a reduction to its regulatory liabilities. If UNS Electric had not applied FAS 71, net income would have been \$1 million higher in 2007 as UNS Electric would have been able to recognize over-recovered purchased power costs as a credit to the income statement rather than record an increase to regulatory liabilities.

FUTURE IMPLICATIONS OF DISCONTINUING APPLICATION OF FAS 71

UNS Electric regularly assesses whether it can continue to apply FAS 71 to its operations. If UNS Electric stopped applying FAS 71 to its regulated operations, it would write-off the related balances of its regulatory assets as an expense and would write-off its regulatory liabilities as income on its income statement. Based on the regulatory asset and liability balances, if UNS Electric had stopped applying FAS 71 to its regulated operations, it would have recorded an extraordinary after-tax loss of \$4 million and an after-tax loss in AOCI of \$1 million at December 31, 2008. Discontinuing application of FAS 71 would not affect UNS Electric's cash flows.

NOTE 4. ACCOUNTING FOR DERIVATIVE INSTRUMENTS, TRADING ACTIVITIES AND HEDGING ACTIVITIES

FUEL AND POWER TRANSACTIONS

UNS Electric enters into forward contracts to purchase a specified amount of capacity or energy at a specified price over a given period of time, within established limits, to take advantage of favorable market opportunities and reduce exposure to energy price risk associated with their gas and purchased power requirements, volumetric risk associated with their seasonal load and operational risk associated with their power plants and transmission systems. UNS Electric also has natural gas supply agreements under which it purchases all of its gas requirements at spot market prices. In an effort to minimize price risk on these purchases, UNS Electric enters into gas price swap agreements under which they purchase gas at fixed prices and simultaneously sell gas at spot market prices. All of the contracts and agreements referred to in this paragraph are considered derivative instruments.

UNS Electric has recorded its commodity contract gains and losses to be recovered through the PPFA as regulatory assets since 2006. See Note 3.

The following table discloses unrealized gains and losses on energy contracts that are reported on the balance sheet as a regulatory asset or a regulatory liability rather than as a component of AOCI or in the income statement.

Mark-to-Market Transactions – (Increase) Decrease Recorded in Regulatory Accounts on the Balance Sheet	2008	2007
	- Thousands of Dollars -	
Recorded in Regulatory Assets – Derivatives:		
Gas Swaps	\$ 7,013	\$1,006
Forward Power Purchases	15,766	-
Recorded in Regulatory Liabilities – Derivatives:		
Forward Power Purchases	9,836	(6,620)
Total (Increase) Decrease	\$32,615	\$ (5,614)

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The fair value of derivative assets and liabilities were as follows:

	December 31, 2008			December 31, 2007		
	Mark-to-Market Contracts	Cash Flow Hedges	Total	Mark-to-Market Contracts	Cash Flow Hedges	Total
-Thousands of Dollars-						
Current Assets	\$ 1,585	\$ -	\$ 1,585	\$ 3,435	\$ -	\$ 3,435
Current Liabilities	(18,156)	-	(18,156)	(733)	-	(733)
Net Current Assets (Liabilities)	\$(16,571)	\$ -	\$(16,571)	\$ 2,702	\$ -	\$ 2,702
Noncurrent Assets	\$ 1,517	\$ -	\$ 1,517	\$ 7,779	\$ -	\$ 7,779
Noncurrent Liabilities	(8,731)	-	(8,731)	(1,651)	-	(1,651)
Net Noncurrent Assets (Liabilities)	\$(7,214)	\$ -	\$(7,214)	\$ 6,128	\$ -	\$ 6,128

As cash collateral is disclosed separately in the balance sheet, the above balances exclude any cash collateral posted with counterparties.

At December 31, 2008, UNS Electric had contracts that will settle through the fourth quarter of 2013. Amounts presented, above, as Net Current Assets (Liabilities), are expected to be reclassified into earnings within the next twelve months.

Credit Risk Adjustment

When the fair value of our derivative contracts are reflected as an asset, the counterparty owes us and this creates credit risk. We minimize our credit risk by (1) entering into transactions with high-quality counterparties, (2) limiting our exposure to each counterparty, (3) monitoring the financial condition of the counterparties and (4) requiring collateral in accordance with the counterparty master agreements. Using a combination of market credit default swap data and historical recovery rates for subordinated bonds, we consider the impact of counterparty credit worthiness in determining the fair value of our derivatives as well as its possible effect on continued qualification for cash flow hedge accounting. At December 31, 2008, the impact of counterparty credit risk on the fair value of derivative asset contracts was less than \$0.5 million.

We also consider the impact of our own credit risk on instruments that are in a net liability position, after deducting collateral posted, using market credit default swap data and allocate the credit risk adjustment to all individual contracts in a net liability position. The impact of our own credit risk was less than \$0.5 million.

Concentration of Credit Risk

The use of contractual arrangements to manage the risks associated with changes in energy commodity prices creates credit risk exposure resulting from the possibility of nonperformance by counterparties pursuant to the terms of their contractual obligations. UNS Electric enters into contracts for the physical delivery of energy which contain remedies in the event of non-performance by the supply counterparties. In addition, volatile energy prices can create significant credit exposure from energy market receivables and mark-to-market valuations.

As of December 31, 2008, UNS Electric had no credit exposure to other counterparties.

To provide credit enhancements for forward energy purchase contracts and hedging activities, UNS Electric posted cash collateral of \$7 million and letters of credit of \$7 million.

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NOTE 5. UTILITY PLANT

The following table shows Utility Plant in Service and depreciable lives by major class at December 31:

	2008	2007	Depreciable Lives
	- Thousands of Dollars -		
Plant in Service:			
Electric Generation Plant	\$ 26,589	\$ 26,464	38 – 49 years
Electric Distribution Plant	333,222	312,842	23 – 50 years
Electric Transmission Plant	56,688	56,086	20 – 50 years
General Plant	22,741	22,939	5 – 40 years
Intangible Plant	7,674	10,734	5 – 32 years
Total Plant in Service	\$446,914	\$ 429,065	
Utility Plant under Capital Leases	\$ 731	\$ 731	

Intangible Plant primarily represents transmission access and computer software costs.

NOTE 6. DEBT AND CAPITAL LEASE OBLIGATIONS

SENIOR UNSECURED NOTES

In August 2008, UNS Electric issued \$100 million of senior unsecured debt: \$50 million at 6.5%, due 2015 and \$50 million at 7.1%, due 2023 (UNS Electric 2008 Long-Term Debt). The UNS Electric Long-Term Debt is guaranteed by UES. The notes may be prepaid with a make-whole call premium reflecting a discount rate equal to an equivalent maturity U.S. Treasury security yield plus 50 basis points.

UNS Electric used \$60 million of the proceeds to repay its 7.61% senior unsecured notes that matured on August 11, 2008. The remaining proceeds were used to repay UNS Electric's outstanding borrowings under the UNS Gas/UNS Electric Revolver and for general corporate purposes. UNS Electric capitalized \$1 million of costs related to the issuance of the debt and will amortize these costs over the life of the debt.

The UNS Electric Long-Term Debt contains certain restrictive covenants, including restrictions on transactions with affiliates, mergers, liens to secure indebtedness, restricted payments and incurrence of indebtedness. As of December 31, 2008, UNS Electric was in compliance with the covenants.

The incurrence of indebtedness covenant requires UNS Electric to meet certain tests before additional indebtedness may be incurred. These tests include:

- A ratio of Consolidated Long-Term Debt to Consolidated Total Capitalization of no greater than 65%.
- An Interest Coverage Ratio (a measure of cash flow to cover interest expense) of at least 2.50 to 1.00.

However, UNS Electric may, without meeting these tests, refinance indebtedness and incur short-term debt in an amount not to exceed \$5 million. UNS Electric may not declare or make distributions or dividends (restricted payments) on its common stock unless (a) immediately after giving effect to such action no default or event of default would exist under its senior unsecured note agreement and (b) immediately after giving effect to such action, it would be permitted to incur an additional dollar of indebtedness under the debt incurrence test. As of December 31, 2008, UNS Electric was in compliance with the terms of the senior unsecured note agreement.

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The senior unsecured notes may be accelerated upon the occurrence and continuance of an event of default under the senior unsecured note agreement. Events of default include failure to make payments required thereunder, certain events of bankruptcy or commencement of similar liquidation or reorganization proceedings or a change of control of UES or UNS Electric. In addition, an event of default may occur if UNS Electric, UES or UNS Gas default on any payments required in respect of certain indebtedness that is outstanding in an aggregate principal amount of at least \$4 million or if any such indebtedness becomes due or capable of being called for payment prior to its scheduled payment date or if there is a default in the performance or compliance with the other terms of such indebtedness and, as a result of such default, such indebtedness has become, or has been declared, due and payable, prior to its scheduled payment date.

CAPITAL LEASE OBLIGATIONS

UNSC Electric has two trucks under capital lease with an initial term to 2011. Both leases may be continued with the same rental terms until either party gives 90 days notice and provide for the purchase of the leased asset at fair market value at the end of the lease.

The following provides future payments on UNSC Electric's capital lease obligations at December 31, 2008:

Capital Lease Obligations	
- Thousands of Dollars -	
2009	\$ 115
2010	115
2011	38
2012	-
2013	-
Total 2009-2013	268
Thereafter	-
Imputed Interest	(18)
Total	\$ 250

REVOLVING CREDIT AGREEMENT

The UNS Gas/UNSC Electric Revolver is a \$60 million revolving credit facility which matures in August 2011. Either UNS Gas or UNS Electric may borrow up to a maximum of \$45 million, so long as the combined amount borrowed does not exceed \$60 million. UNS Gas is only liable for UNS Gas's borrowings, and similarly, UNS Electric is only liable for UNS Electric's borrowings under the UNS Gas/UNSC Electric Revolver. UES guarantees the obligations of both UNS Gas and UNS Electric.

UNSC Electric has the option of paying interest at LIBOR plus 1.0% or the greater of the federal funds rate plus 0.5% or the agent bank's reference rate.

The UNS Gas/UNSC Electric Revolver contains restrictions on additional indebtedness, liens, mergers and sales of assets. The UNS Gas/UNSC Electric Revolver also contains a maximum leverage ratio and a minimum cash flow to interest coverage ratio for each borrower. As of December 31, 2008, UNS Electric was in compliance with the terms of the UNS Gas/UNSC Electric Revolver.

The borrowings by UNSC Electric under the UNS Gas/Electric Revolver were as follows:

- Thousands of Dollars -		
	December 31, 2008	December 31, 2007
Balance on the Revolver	\$ 8,000	\$ 26,000
Weighted Average Interest Rate	1.5%	5.89%
Outstanding Letters of Credit	\$ 6,500	\$ -

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At December 31, 2008 and December 31, 2007, UNS Electric's borrowings under the UNS Gas/UNS Electric Revolver were excluded from Current Liabilities and presented as Long-Term Debt, as UNS Electric has the ability and the intent to keep the borrowings outstanding under the UNS Gas/UNS Electric Revolver for the next twelve months. The outstanding letters of credit support power and gas purchases and hedges and are off-balance sheet obligations UNS Electric.

UNS Electric repaid \$4 million in February 2009, and repaid the remaining \$4 million in March 2009 under the UNS Gas/UNS Electric Revolver.

NOTE 7. COMMITMENTS AND CONTINGENCIES

We record liabilities for loss contingencies, including environmental remediation costs, arising from claims, assessments, litigation, fines and penalties and other sources when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

PURCHASE AND TRANSPORTATION COMMITMENTS

At December 31, 2008, UNS Electric had various unrecognized firm non-cancelable purchase commitments as described in the table below.

	2009	2010	2011	2012	2013	There after	Total
	- Thousands of Dollars -						
Fuel (including Transportation)	\$ 20,258	\$ 8,761	\$ 1,804	\$ 22	\$ -	\$ -	\$ 30,845
Purchased Power	41,091	29,644	12,771	7,607	7,588	-	98,701
Transmission	2,592	1,764	882	-	-	-	5,238
Total Unrecognized Firm Commitments	\$ 63,941	\$ 40,169	\$ 15,457	\$ 7,629	\$ 7,588	\$ -	\$ 134,784

Since UNS Electric's all-requirements purchased power contract expired in May 2008, UNS Electric has entered into agreements with various energy suppliers for purchased power at market prices to meet energy requirements. In general, these contracts provide for capacity payments and energy payments based on actual power taken under the contracts. These contracts expire in various years through 2013. Certain of these contracts are at a fixed price per MW and others are indexed to natural gas prices. The commitment amounts included in the table above are based on market prices as of December 31, 2008. UNS Electric paid \$53 million in 2008 for purchased power under these contracts.

UNS Electric imports the power it purchases over the Western Area Power Administration's (WAPA) transmission lines. UNS Electric's transmission capacity agreements with WAPA provide for annual rate adjustments and expire in 2011 and 2017. However, the effects of both purchased power and transmission cost adjustments are mitigated through a purchased power rate-adjustment mechanism. UNS Electric paid \$7 million in 2008 and in 2007 for transmission under committed contracts.

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OPERATING LEASES

UNN Electric has entered into operating leases, primarily for office facilities and office equipment, with varying terms, provisions, and expiration dates.

UNN Electric's estimated future minimum payments under non-cancelable operating leases at December 31, 2008 were:

Operating Leases	
- Thousands of Dollars -	
2009	\$ 309
2010	269
2011	269
2012	78
2013	60
Total 2009-2013	985
Thereafter	24
Total	\$ 1009

UNN Electric's operating lease expense was \$0.4 million in 2008 and \$0.4 million in 2007.

ENVIRONMENTAL CONTINGENCIES

UNN Electric owns and operates the Valencia Power Plant (Valencia), located in Nogales, Arizona. The Valencia plant consists of three gas and diesel-fueled combustion turbine units, with a fourth unit that commenced operations in June 2006. UNN Electric has continued efforts initiated by the site's previous owner to remediate the soil and groundwater contamination at its Valencia facility. The initial estimate for the cost of remediation was \$0.6 million. The ultimate cost, however, will depend on the extent of contamination found as the project progresses and when final remediation occurs. Under the purchase agreement for Valencia, UNN Electric's obligation is limited to \$1.5 million. At December 31, 2008, UNN Electric had a liability of \$0.5 million included in Other Deferred Credits and Other Liabilities on the balance sheet.

NOTE 8. INCOME AND OTHER TAXES

INCOME TAXES

We record deferred tax liabilities for amounts that will increase income taxes on future tax returns. We record deferred tax assets for amounts that could be used to reduce income taxes on future tax returns. UNN Electric determined that a valuation allowance on the deferred income tax assets for the years ended December 31, 2008 and December 31, 2007 was not necessary. We reached this conclusion based on our interpretation of tax rules, tax planning strategies, scheduled reversals of temporary differences, and projected future taxable income.

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UniSource Energy includes UNS Electric's taxable income in its consolidated federal income tax return. Deferred tax assets (liabilities) consist of the following:

	2008	2007
	- Thousands of Dollars -	
Gross Deferred Income Tax Liabilities		
Plant	\$ (10,391)	\$ (5,648)
Other	118	(238)
Gross Deferred Income Tax Liabilities	(10,273)	(5,886)
Gross Deferred Income Tax Assets		
Alternative Minimum Tax Credit (AMT)	860	374
Customer Advances	5,005	4,516
Contributions in Aid of Construction	2,002	1,287
Purchased Power and Fuel Adjustment Clause	-	3,644
Compensation and Benefits	758	455
Other	304	256
Gross Deferred Income Tax Assets	8,929	10,532
Net Deferred Income Tax Assets (Liabilities)	\$ (1,344)	\$ 4,646

Income tax expense (benefit) included in the income statement includes amounts both payable currently and deferred for payment in future periods as indicated below:

	2008	2007
	-Thousand of Dollars-	
Current Tax Expense (Benefit)		
Federal	\$ (3,544)	\$ 2,512
State	(80)	470
Deferred Tax Expense (Benefit)		
Federal	5,190	47
State	842	105
Total Federal and State Income Tax Expense	\$ 2,408	\$ 3,134

The following reconciles the provision for income taxes at the federal statutory rate of 35% to the effective rate:

	2008	2007
	- Thousands of Dollars -	
Federal Income Tax Expense at Statutory Rate	\$ 2,159	\$ 2,760
State Income Tax Expense, Net of Federal Deduction	285	364
Other	(36)	10
Total Federal and State Income Tax Expense	\$ 2,408	\$ 3,134

UNS Electric incurred a \$9 million net operating loss in 2008 that will be carried back to generate \$3.2 million in tax refunds. The receivable is included in intercompany accounts receivable on the balance sheet.

Uncertain Tax Positions

UNS Electric adopted Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109 (FIN 48) as of January 1, 2007. FIN 48 requires us to determine whether it is "more likely than not" that we will sustain a tax position under examination. Each tax position is measured to determine the amount of benefit to recognize in the financial statements.

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At the end of 2008, UNS Electric had no uncertain tax positions.

OTHER TAX MATTERS

On its 2003 and 2004 tax returns, UNS Electric elected to utilize an accounting method relating to the capitalization of indirect costs to production activities and self-constructed assets.

In 2005, the Internal Revenue Service (IRS) issued a ruling limiting the ability of electric and gas utilities to use the new accounting method. Based on settlement guidelines issued by the IRS in March 2007, this issue has been settled with the IRS. In 2008, UNS Electric received a \$0.3 million refund of taxes and interest. The refunds have no income statement impact to UNS Electric in 2008.

NOTE 9. PENSION AND POSTRETIREMENT BENEFIT PLANS

UNS Electric does not maintain a separate pension plan or other postretirement benefit plan for its employees. All regular employees are eligible to participate in the pension plan maintained by our parent, UES. A small group of active employees are also eligible to participate in a postretirement medical benefit plan. UES allocates net periodic benefit cost based on service cost for participating employees.

PENSION PLAN

The noncontributory, defined benefit pension plan provides benefits based on years of service and the employee's average compensation. We recognize the underfunded status of our defined benefit pension plans as a liability on our consolidated balance sheets. The underfunded status is measured as the difference between the fair value of the plans assets and the projected benefit obligation for pension plans. We recognize a regulatory asset to the extent these future costs are probable of recovery in rates.

Pension Contributions

The Pension Protection Act of 2006 (The Pension Act) establishes minimum funding targets for pension plans beginning in 2008. A plan's funding target is the present value of all benefits accrued or earned as of the beginning of the plan year. While the annual targets are not legally required, if a plan does not meet the annual funding targets, the plan's benefit payment options are limited and a funding deficiency notice must be sent to all plan participants. All UNS Electric plans are in compliance with The Act.

In 2009, to meet the funding requirements of The Pension Act, UNS Electric expects to contribute \$0.8 million to the pension plan.

OTHER POSTRETIREMENT BENEFIT PLAN

UNS Electric assumed a \$1.3 million liability for postretirement medical benefits for current retirees and a small group of active employees at the acquisition of the Arizona electric system assets. The selected active employees participate in a Postretirement Benefit Plan covering employees of UniSource Energy. In the 2008 TEP Rate Order, the ACC authorized accrual basis recovery of other postretirement benefit plan costs based on a commitment to fund the plan. UNS Electric now records changes in its other postretirement obligation, not yet reflected in net periodic benefit cost, as a regulatory asset, as such amounts are probable of future recovery in rates. Amounts previously recorded in AOCI have been reclassified to a regulatory asset.

The pension and other postretirement benefit related amounts (excluding tax balances) included in UNS Electric's balance sheet are:

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	Pension Benefits		Other Postretirement Benefits	
	Years Ended December 31,			
	2008	2007	2008	2007
	- Thousands of Dollars -			
Regulatory Pension Asset included in Regulatory Assets	\$2,478	\$ 663	\$ -	\$ -
Accrued Benefit Liability included in Accrued Employee Expenses	-	-	(77)	(75)
Accrued Benefit Liability included in Deferred Employee Benefits	(3,015)	(1,180)	(572)	(584)
Accumulated Other Comprehensive (Gain) Loss	-	-	-	(52)
Net Amount Recognized	\$ (537)	\$ (517)	\$ (649)	\$ (711)

OBLIGATIONS AND FUNDED STATUS

In accordance with FAS 158, we measured the actuarial present values of all pension benefit obligations and other postretirement benefit plans at December 31, 2008. In 2007, the measurement date was December 1. As a result of the change in the measurement date, we recorded a loss of less than \$0.1 million to retained earnings.

The tables below reflect UES' plan information as a whole. The change in projected benefit obligation and plan assets and reconciliation of the funded status are as follows:

	Pension Benefits		Other Postretirement Benefits	
	Years Ended December 31,			
	2008	2007	2008	2007
	- Thousands of Dollars -			
Change in Projected Benefit Obligation				
Benefit Obligation at Beginning of Year	\$ 7,352	\$ 7,461	\$ 1,154	\$ 1,658
Actuarial (Gain) Loss	1,833	(1,417)	277	(275)
Interest Cost	501	440	77	91
Service Cost	917	1,017	-	-
Measurement Date Change	118	-	-	-
Benefits Paid	(236)	(149)	(314)	(320)
Projected Benefit Obligation at End of Year	10,485	7,352	1,194	1,154
Change in Plan Assets				
Fair Value of Plan Assets at Beginning of Year	4,889	3,865	-	-
Actual Return on Plan Assets	(1,951)	173	-	-
Benefits Paid	(236)	(149)	(362)	(363)
Employer Contributions	1,200	1,000	314	320
Participant Contributions	-	-	48	43
Measurement Date Change	35	-	-	-
Fair Value of Plan Assets at End of Year	3,937	4,889	-	-
Funded Status at End of Year	\$ (6,548)	\$ (2,463)	\$ (1,194)	\$ (1,154)

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NOTES TO FINANCIAL STATEMENTS (Continued)			

At December 31, 2008, UNS Electric's proportionate share of the pension plan's funded status is approximately 46%.

The following table provides the components of UES' regulatory assets that have not been recognized as components of periodic benefit cost as of December 31, 2008:

	Pension Benefits	Other Postretirement Benefits
	- Thousands of Dollars -	
Net Loss	\$ 3,259	\$ 214
Prior Service Cost (Benefit)	2,002	(36)

The accumulated benefit obligation for the UES defined benefit pension plan was \$6.8 million at December 31, 2008 and \$4.5 million at December 31, 2007. Changes in actuarial assumptions including an increase in the discount rate impacted the accumulated benefit obligation. At December 31, 2008 the UES defined benefit pension plan had accumulated benefit obligations in excess of plan assets.

	December 31,	
	2008	2007
	- Thousands of Dollars -	
Projected Benefit Obligation at End of Year	\$ 10,485	\$ 7,352
Accumulated Benefit Obligation at End of Year	6,760	4,501
Fair Value of Plan Assets at End of Year	3,937	4,889

The components of net periodic benefit costs and other amounts recognized in income are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
	- Thousands of Dollars -			
Components of Net Periodic Cost				
Service Cost	\$ 917	\$ 1,017	\$ -	\$ -
Interest Cost	501	440	71	90
Expected Return on Plan Assets	(430)	(318)	-	-
Prior Service Cost Amortization	258	258	(3)	(3)
Recognized Actuarial (Gain) Loss	(19)	-	-	4
Net Periodic Benefits Cost	\$ 1,227	\$ 1,397	\$ 68	\$ 91

A portion of the net periodic benefit cost was capitalized as a cost of construction and the remainder was included in Other Operating and Maintenance costs.

In 2008, UNS Electric recognized 47% of total net periodic pension benefit costs and 53% of other postretirement benefit costs based on relative employee participation.

The amounts recognized in Accumulated Other Comprehensive Income (AOCI) or as regulatory assets are as follows:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Pension Benefits

2008 2007
- Thousands of Dollars -

Changes in Plan Assets and Benefit Obligations

Recognized as Regulatory Asset

Current Year Actuarial (Gain) Loss	\$ 4,214	\$ (1,271)
Amortization of Actuarial Gain (Loss)	19	-
Prior Service (Cost) Amortization	(258)	(258)
Measurement Plan Change	(20)	-
Change in Additional Minimum Liability	-	-
Total Recognized as Regulatory Asset	\$ 3,955	\$ (1,529)

Other Postretirement Benefits

Regulatory Asset	AOCI	AOCI
2008	2007	2007

Changes in Benefit Obligation Recognized in AOCI or as Regulatory Assets

Current Year Actuarial (Gain) Loss	\$ 277	-	\$ (274)
Amortization of Actuarial Gain (Loss)	-	-	(4)
Prior Service (Cost) Amortization	-	3	3
Reclassification from AOCI to Regulatory Asset	(99)	99	-
Total Recognized in AOCI or as Regulatory Assets	\$ 178	102	\$ (275)

UNS Electric recognized changes in benefit obligations in AOCI of less than \$0.1 million both before tax and net of tax.

For the pension plan, we amortize prior service costs on a straight-line basis over the average remaining service period of employees expected to receive benefits under the plan. UES will amortize \$0.3 million of prior service cost and \$0.2 million of net loss from regulatory assets into net periodic benefit cost in 2009. The estimated net loss and prior service benefit for the defined benefit postretirement plans that will be amortized from regulatory assets into net periodic benefit cost in 2009 are less than \$0.1 million, respectively.

Weighted-Average Assumptions Used to Determine Benefit Obligations as of the Measurement Date,

	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Discount Rate	6.30%	6.80%	6.50%	6.50%
Rate of Compensations Increase	3.00-4.00%	3.00-4.00%	-	-

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Costs for Period Ended December 31,

	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Discount Rate	6.80%	5.90%	6.50%	5.60%
Rate of Compensations Increase	3.00-4.00%	3.00-4.00%	-	-
Expected Return on Plan Assets	7.75%	8.30%	-	-

Net periodic benefit cost is subject to various assumptions and determinations, such as the discount rate, the rate of compensation increase, and the expected return on plan assets. We estimated the expected return on plan assets based on a review of the plans' asset allocations. We also consulted with a third-party investment consultant and the plans' actuary who consider factors such as:

- market and economic indicators
- historical market returns

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NOTES TO FINANCIAL STATEMENTS (Continued)			

- correlations and volatility
- central banks' and government treasury departments' forecasts and objectives, and
- recent professional or academic research.

Changes that may arise over time with regard to these assumptions and determinations will change amounts recorded in the future as net periodic benefit cost.

	December 31, 2008	2007
Assumed Health Care Cost Trend Rates		
Health Care Cost Trend Rate Assumed for Next Year (Pre-65)	7.5%	8%
Health Care Cost Trend Rate Assumed for Next Year (Post-65)	7.5%	10%
Ultimate Health Care Cost Trend Rate Assumed	5%	5%
Year that the Rate Reaches the Ultimate Trend Rate	2017	2013

A one-percentage-point change in assumed health care cost trend rates would have an impact of less than \$0.1 million on UES' benefit obligation on the December 31, 2008 amounts reported.

Pension Plan Assets

UES calculates the market-related value of plan assets using the fair value of plan assets on the measurement date. The pension plan asset allocations by asset category are as follows:

	Plan Assets December 31,	
Asset Category	2008	2007
Equity Securities	67%	66%
Debt Securities	31%	33%
Cash	2%	1%
Total	100%	100%

The policy for the UES pension plan is to provide exposures to equity and debt securities by investing in a balanced fund. The fund will hold no more than 75% of its total assets in stocks.

Estimated Future Benefit Payments

The following benefit payments, which reflect future service, as appropriate, are expected to be paid by UES:

	Pension Benefits	Other Postretirement Benefits
	- Thousands of Dollars -	
2009	\$ 299	\$ 127
2010	403	126
2011	650	124
2012	915	122
2013	833	119
Years 2014-2018	6,253	532

DEFINED CONTRIBUTION PLANS

UNS Electric offers a defined contribution savings plan to all eligible employees. The Internal Revenue Code identifies the plan as a qualified 401(k) plan. Participants direct the investment of contributions to certain funds in their account. UNS

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Electric matches part of a participant's contributions to the plan. UNSE Electric made matching contributions of less than \$0.3 million in each of 2008 and 2007.

NOTE 10. FAIR VALUE MEASUREMENTS

Effective January 1, 2008, we adopted FAS 157, *Fair Value Measurements* (FAS 157), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. As defined in FAS 157, fair value is the exit price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. FAS 157 clarifies that the exchange price is the price in the principal market in which the reporting entity would transact for the asset or liability. With limited exceptions, the provisions of FAS 157 are applied prospectively. There was no transition adjustment as a result of adopting FAS 157.

As permitted by FSP FAS 157-2, we have elected to defer the adoption of the nonrecurring fair value measurement disclosures of non-financial assets and liabilities, such as asset retirement obligations, until January 1, 2009.

FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*, issued October 2008, provides guidance clarifying how FAS 157 should be applied in markets that are not active. The guidance reaffirms the notion of fair value as an exit price as of the measurement date. The FSP emphasizes that approaches other than the market value approach to determine fair value, such as the use of management's internal assumptions about future cash flows and risk-adjusted discount rates, may be appropriate. The FSP, which is effective upon issuance and applicable to prior periods for which financial statements have not yet been issued, did not have a material impact on our financial statements.

In accordance with FAS 157, we have categorized our financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy defined by FAS 157 are as follows:

- Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market (examples include active exchange-traded equity securities and listed derivatives).
- Level 2. Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate bonds, which trade infrequently), pricing models whose inputs are observable for substantially the full term of the asset or liabilities (examples include most non-exchange-traded derivatives, including interest rate swaps), and pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.
- Level 3. Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include long-dated or complex derivatives including certain long-dated options on gas and power).

The following tables set forth, by level within the fair value hierarchy, UNSE Electric's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2008. As required by FAS 157, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2008				
- Thousands of Dollars -				
Assets				
Cash Equivalents (1)	\$ 4,171	\$ -	\$ -	\$ 4,171
Collateral Posted (2)	-	6,620	-	6,620
Energy Contracts (3)	-	96	3,006	3,102
Total Assets	4,171	6,716	3,006	13,893
Liabilities				
Energy Contracts (3)	-	(8,115)	(18,772)	(26,887)
Total Liabilities	-	(8,115)	(18,772)	(26,887)
Net Total Assets and (Liabilities)	\$ 4,171	\$ (1,399)	\$ (15,766)	\$ (12,994)

- (1) Cash Equivalents are based on observable market prices and are comprised of the fair value of Money Market Funds.
(2) Collateral provided for energy contracts with counterparties to reduce credit risk exposure.
(3) Energy contracts include gas swap agreements (Level 2), forward power purchase contracts (Level 3), and forward power purchase contracts indexed to gas (Level 3), entered into to take advantage of favorable market conditions and reduce exposure to energy price risk. The valuation techniques are described below.

Energy Contracts

UNSC Electric primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Where observable inputs are available for substantially the full terms of the asset or liability, such as gas swap derivatives valued using New York Mercantile Exchange (NYMEX) pricing, adjusted for basin differences, the instrument is categorized in Level 2.

Derivatives valued using an aggregate pricing service or published prices that represent a consensus reporting of multiple brokers are categorized in Level 3. For both power and gas prices, UNSC Electric obtains quotes from brokers, major market participants, exchanges or industry publications as well as its own price experience from active transactions in the market. UNSC Electric primarily uses one set of quotations each for power and for gas, and then uses the other sources as validation of those prices. The broker providing quotes for power prices states that the market information provided is indicative only, but believes it to be reflective of market conditions as of the time and date indicated. In addition, energy derivatives include contracts where published prices are not readily available. These include contracts for delivery periods during non-standard time blocks, contracts for delivery during only a few months of a given year when prices are quoted only for the annual average, or contracts for delivery at illiquid delivery points. In these cases, UNSC Electric applies certain management assumptions to value such contracts. These assumptions include applying historical price curve relationships to calendar year quotes, applying percentage multipliers to value non-standard time blocks, including the impact of counterparty credit risk, using current and historical default and recovery rates, our own credit risk, using credit default swap data, and including adjustments for transmission and line losses to value contracts at illiquid delivery points. UNSC Electric reviews these assumptions on a quarterly basis.

UNSC Electric's assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following tables set forth a reconciliation of changes in the fair value of forward power purchase contracts classified as Level 3 in the fair value hierarchy for the year ended:

December 31, 2008	
- Thousands of Dollars -	
Balance, beginning of year	\$ 9,836
Gains and (Losses) (Realized/Unrealized) Recorded to Regulatory Assets/Liabilities	(25,602)
Balance, end of year	\$ (15,766)

Losses on mark-to-market contracts include the reclassification of realized gains and losses on the settlement of derivative contracts. All of the Level 3 unrealized gains and losses are attributable to the change in fair value of Level 3 assets and liabilities held at the reporting date.

There were no transfers in or out of Level 3 derivatives.

NOTE 11. COMMON STOCK EQUITY

DIVIDEND RESTRICTIONS

Restrictions placed on UNS Electric limit UES' ability to pay dividends. The 2003 UES Settlement Agreement limits UNS Electric's ability to pay dividends of no more than 100% of its earnings to UniSource Energy. Additionally, the terms of the senior unsecured note agreements contain dividend restrictions. See Note 6.

CAPITAL CONTRIBUTION

UES made capital contributions to UNS Electric of less than \$0.5 million in 2008.
UniSource Energy made no capital contributions to UNS Electric in 2008 and \$10 million in 2007.

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.					
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.					
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.					
Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				(66,503)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				98,036
4	Total (lines 2 and 3)				98,036
5	Balance of Account 219 at End of Preceding Quarter/Year				31,533
6	Balance of Account 219 at Beginning of Current Year				31,533
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				(31,533)
9	Total (lines 7 and 8)				(31,533)
10	Balance of Account 219 at End of Current Quarter/Year				

[illegible]

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	443,068,716	443,068,716		
4	Property Under Capital Leases	730,678	730,678		
5	Plant Purchased or Sold				
6	Completed Construction not Classified	3,844,840	3,844,840		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	447,644,234	447,644,234		
9	Leased to Others				
10	Held for Future Use	610,695	610,695		
11	Construction Work in Progress	18,758,596	18,758,596		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	467,013,525	467,013,525		
14	Accum Prov for Depr, Amort, & Depl	274,618,330	274,618,330		
15	Net Utility Plant (13 less 14)	192,395,195	192,395,195		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	271,469,120	271,469,120		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	3,149,210	3,149,210		
22	Total In Service (18 thru 21)	274,618,330	274,618,330		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	274,618,330	274,618,330		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
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					6
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Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization			
3	(302) Franchises and Consents	11,908		
4	(303) Miscellaneous Intangible Plant	10,722,426	191,777	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	10,734,334	191,777	
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights			
9	(311) Structures and Improvements			
10	(312) Boiler Plant Equipment			
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units			
13	(315) Accessory Electric Equipment			
14	(316) Misc. Power Plant Equipment			
15	(317) Asset Retirement Costs for Steam Production			
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)			
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights			
28	(331) Structures and Improvements			
29	(332) Reservoirs, Dams, and Waterways			
30	(333) Water Wheels, Turbines, and Generators			
31	(334) Accessory Electric Equipment			
32	(335) Misc. Power Plant Equipment			
33	(336) Roads, Railroads, and Bridges			
34	(337) Asset Retirement Costs for Hydraulic Production			
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)			
36	D. Other Production Plant			
37	(340) Land and Land Rights	100,803	-560,438	
38	(341) Structures and Improvements	1,969,407		
39	(342) Fuel Holders, Products, and Accessories	847,308		
40	(343) Prime Movers	13,399,188	20,084	
41	(344) Generators	6,304,469		
42	(345) Accessory Electric Equipment	2,513,408		
43	(346) Misc. Power Plant Equipment	1,329,275		
44	(347) Asset Retirement Costs for Other Production			
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	26,463,858	-540,354	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	26,463,858	-540,354	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.				
7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.				
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.				
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
11,908				3
3,239,714			7,674,489	4
3,251,622			7,674,489	5
				6
				7
				8
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				10
				11
				12
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				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
		665,071	205,436	37
			1,969,407	38
			847,308	39
			13,419,272	40
			6,304,469	41
			2,513,408	42
			1,329,275	43
				44
		665,071	26,588,575	45
		665,071	26,588,575	46

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	1,255,883	153,097	
49	(352) Structures and Improvements	427,830		
50	(353) Station Equipment	18,950,014		
51	(354) Towers and Fixtures	521,825		
52	(355) Poles and Fixtures	15,210,651	5,455,522	
53	(356) Overhead Conductors and Devices	19,508,729	-4,991,875	
54	(357) Underground Conduit			
55	(358) Underground Conductors and Devices	27,438		
56	(359) Roads and Trails	183,860		
57	(359.1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	56,086,230	616,744	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	1,334,360	20,341	
61	(361) Structures and Improvements	5,448,986	241,819	
62	(362) Station Equipment	34,958,455	4,853,842	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	81,496,074	3,361,601	
65	(365) Overhead Conductors and Devices	56,680,399	2,445,325	
66	(366) Underground Conduit	15,154,521	1,108,193	
67	(367) Underground Conductors and Devices	34,697,120	3,092,807	
68	(368) Line Transformers	58,068,149	4,042,275	
69	(369) Services	11,250,903	2,150,331	
70	(370) Meters	9,858,959	392,222	
71	(371) Installations on Customer Premises			
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	3,894,325	212,410	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	312,842,251	21,921,166	
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights	57,580		
87	(390) Structures and Improvements	2,470,854	132,614	
88	(391) Office Furniture and Equipment	-1,163,241	149,794	
89	(392) Transportation Equipment	12,417,793	1,438,494	
90	(393) Stores Equipment	125,240		
91	(394) Tools, Shop and Garage Equipment	2,733,551	68,098	
92	(395) Laboratory Equipment	1,389,367	42,656	
93	(396) Power Operated Equipment	1,637,263	263,393	
94	(397) Communication Equipment	3,121,463	-866,294	
95	(398) Miscellaneous Equipment	149,138	560	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	22,939,008	1,229,315	
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	22,939,008	1,229,315	
100	TOTAL (Accounts 101 and 106)	429,065,681	23,418,648	
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	429,065,681	23,418,648	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
		22,107	1,431,087		48
			427,830		49
-6,310		-43,761	18,912,563		50
			521,825		51
			20,666,173		52
			14,516,854		53
					54
			27,438		55
			183,860		56
					57
-6,310		-21,654	56,687,630		58
					59
			1,354,701		60
			5,690,805		61
377,826		43,761	39,478,232		62
					63
-153,776			85,011,451		64
147,934			58,977,790		65
-2,419			16,265,133		66
-9,549			37,799,476		67
110,311			62,000,113		68
328			13,400,906		69
1,115,420			9,135,761		70
					71
					72
-481			4,107,216		73
					74
1,585,594		43,761	333,221,584		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
		-11,813	45,767		86
-7,960			2,611,428		87
1,029,188		4,287,698	2,245,063		88
125,234		-4,287,698	9,443,355		89
6,380			118,860		90
135,055			2,666,594		91
1,106			1,430,917		92
21,195			1,879,461		93
79,563			2,175,606		94
25,471			124,227		95
1,415,232		-11,813	22,741,278		96
					97
					98
1,415,232		-11,813	22,741,278		99
6,246,138		675,365	446,913,556		100
					101
					102
					103
6,246,138		675,365	446,913,556		104

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 88 Column: f

Plant Asset retirement costs of \$4,287,698 were erroneously entered on the wrong lines of the 2007 FERC Form 1 (page 207). As a result, the balance at end of year for FERC Plant Account 391 was understated and the balance at end of year for Plant FERC Account 392 was overstated by this amount. To correct the error in the reported balances from 2007, the \$4,287,698 is shown as a "transfer" between these two Plant FERC accounts on the 2008 FERC Form 1 (page 207 - Column f).

Schedule Page: 204 Line No.: 89 Column: f

Plant Asset retirement costs of \$4,287,698 were erroneously entered on the wrong lines of the 2007 FERC Form 1 (page 207). As a result, the balance at end of year for FERC Plant Account 391 was understated and the balance at end of year for Plant FERC Account 392 was overstated by this amount. To correct the error in the reported balances from 2007, the \$4,287,698 is shown as a "transfer" between these two Plant FERC accounts on the 2008 FERC Form 1 (page 207 - Column f).

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)					
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.					
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.					
Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2	Cheyenne Substation	10/06/2006	Unknown	60,746	
3	Class Code: Vacant & Land				
4	Parcel Size: 5.87 Acres				
5	Township, Range, and Section: 21N, 16W, 28				
6					
7					
8	Future 230kv Transmission Line from	09/01/2008	Unknown	549,949	
9	Franconia Substation to North Havasu Substation				
10	Class Code: Land Easement				
11	Township, Range, and Section: Various				
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Other Property:				
22					
23					
24					
25					
26					
27					
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33					
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35					
36					
37					
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40					
41					
42					
43					
44					
45					
46					
47	Total			610,695	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	392064S Vail to Valencia 138KVLn-L&E	2,739,188		
2	369062S Clwtr 69/13.2kv T2 ad 33MVA	2,190,336		
3	333062A Line Extensions > \$50k LH	1,381,980		
4	368061S Eastern Transf T1 Repl King	1,174,288		
5	343061S N. Stockton Hill 69kv Trans Ln King	907,653		
6	311761S Mercator 69kv Line (King)	784,797		
7	373061S White Hills Sub King	715,104		
8	312061A Construction Eq - New (King)	625,734		
9	371062S Kiowa T2 repl.. 25MVA-47MVA LH	600,046		
10	394062S N Havasu Sub T3 Addition LH	580,064		
11	363061S Gold Val Fdr 8002 Recon King	562,329		
12	331062B Distr. System Repl LH	531,823		
13	333061A Line Extentions > \$50K King	494,516		
14	330062A Line Extentions < \$50K LH	447,284		
15	311261S Jagerson Tie 4th CRCT FDR 5031	431,206		
16	330061A Line Extensions < \$50K King	424,650		
17	331061B Distr. System Repl King	360,079		
18	331764B Preventative Maint OH Dist. (Nog)	291,942		
19	394064A Valencia Sub Brk Replace IV	283,721		
20	331664B Priority A UG Dist (Nog)	281,651		
21	332061S SCADA Sys Kingman & Havasu	265,408		
22	312062A Construction Eq - New (LH)	255,404		
23	383064S 115kv Trans Line Repl (Nog)	252,757		
24	363062S Clearwater Fdr Add LH	206,176		
25	332064A Distribution Fdrs & Ties Nog	203,646		
26	320264S Resid New Bus Ln Ext (Nog)	155,743		
27	312062S Operations Center LH	146,111		
28	397062S Circuit 6008 Reconductor (LH)	127,348		
29	311861S UNSE Integr Balancing Auth (Kg)	121,296		
30	331061A Distr. System Bettr. King	111,888		
31	331564B Priority A OH Dist (Nog)	107,462		
32	353062S Replace Kiowa Bus Tie Switch	100,825		
33				
34				
35	Minor Projects less than \$100,000	896,141		
36				
37				
38				
39				
40				
41				
42				
43	TOTAL	18,758,596		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNS Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 216 Line No.: 35 Column: b

There were no projects related to research, development, and demonstrating in 2008. Research, development, and demonstrating work is classified separately as preliminary engineering.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	262,571,712	262,571,712		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	17,444,031	17,444,031		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	1,367,716	1,367,716		
7	Other Clearing Accounts	-167,516	-167,516		
8	Other Accounts (Specify, details in footnote):	-4,231,731	-4,231,731		
9	Reserve Re-Allocations	-2,667,728	-2,667,728		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	11,744,772	11,744,772		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,994,517	2,994,517		
13	Cost of Removal	29,130	29,130		
14	Salvage (Credit)	176,283	176,283		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	2,847,364	2,847,364		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	271,469,120	271,469,120		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	11,621,441	11,621,441		
25	Transmission	33,369,111	33,369,111		
26	Distribution	213,339,814	213,339,814		
27	Regional Transmission and Market Operation				
28	General	13,138,754	13,138,754		
29	TOTAL (Enter Total of lines 20 thru 28)	271,469,120	271,469,120		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNs Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 7 Column: c

The credit of (\$167,516) represents 2008 CC&B, Call Center and "Common Systems" depreciation allocations made to UNS Electric, Inc.

Schedule Page: 219 Line No.: 8 Column: c

The (\$4,231,731) represents the 2008 amortization (credited to FERC Acct. No. 406) of the electric plant acquisition discount credited to accumulated depreciation in connection with the 2003 acquisition of the electric plant assets of Citizens Communications.

Schedule Page: 219 Line No.: 9 Column: c

The credit of (\$2,667,728) represents the June 2008 Reserve re-allocation made between FERC Acct. No. 0403 and FERC Acct. No. 0404 as it related to the 2008 UNS Electric Rate Order.

Schedule Page: 219 Line No.: 19 Column: c

	Per "Plant in Service and Accumulated Provision for Depreciation by
(271,469,120.00)	Function" (Schedule Page: 219, Line No: 19, Column: C)
(1,732,985.00)	FERC 0111 Accumulated Provision for Amortization of Electric Plant
(492,446.00)	FERC 1111 Accumulated Provision for Amortization of Capital Leases
	FERC 1112 Accumulated Provision for Amortization of Electric Plant
(898,662.00)	- Citizen's Historical
	FERC 1113 Accumulated Provision for Amortization of Capital Leases
(25,117.00)	- Citizen's Historical
(274,618,330.00)	Per "Comparative Balance Sheet" (Schedule Page: 110, Line No: 5,
	Column: C)

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	22,302	20,661	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)	7,234,996	8,089,538	Electric	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)		1,044	Electric	
8	Transmission Plant (Estimated)	2,084		Electric	
9	Distribution Plant (Estimated)	60,623	106,038	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)				
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	7,297,703	8,196,620	Electric	
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	357,967	766,750	Electric	
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	7,677,972	8,984,031	Electric	

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
Transmission Service and Generation Interconnection Study Costs					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22	Edison Mission W Golden Valley	4,186	566 and Var O&M		
23					
24	Edison Mission Industrial Sub	2,004	566 and Var O&M		
25					
26	Edison Mission Boriana Junction	4,066	566 and Var O&M		
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d) Written off During the Period Amount (e)		Balance at end of Current Quarter/Year (f)
1	Pension Regulatory Asset	663,448	2,044,662	228.3	229,681	2,478,429
2	ACC Decision # 59951					
3	Issued January 1997					
4						
5	Unrealized Loss on Derivatives	1,005,826	27,195,083	176/245	4,415,902	23,785,007
6	ACC Decision # 69202					
7	Issued December 2006					
8						
9	Rate Case Expenses		600,000	407.3	358,333	241,667
10	ACC Decision # 70360					
11	Issued May 27, 2008					
12						
13	UBOC Credit Agreement	1,895		428.0	1,895	
14	ACC Decision # 66174					
15	Issued August 2006					
16						
17	Purchase of Landfill Gas	132,601	11,680	254.0	144,281	
18	Per AAC R14-2-1618					
19						
20	Acc Provision - Post Retirement Benefits		110,100		13,191	96,909
21	December 2008					
22						
23	DSM Adjuster		41,994		41,994	
24	ACC Decision # 70360					
25	Issued May 27, 2008					
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	1,803,770	30,003,519		5,205,277	26,602,012

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: a

As a result of the adoption of FAS 158, Employer's Accounting for Deferred Benefit Pension and other Post Retirement Plans, a liability for the under funded pension liability at December 31, 2006 was recorded. Because the ACC has historically permitted the recovery of pension costs in rates under the accrual method, a corresponding regulatory asset was also recorded. Current service rates were authorized in ACC Decision No. 59951 issued in January 1997.

Schedule Page: 232 Line No.: 20 Column: a

Accrued post retirement benefits deferred pursuant to guidelines issued by ACC in December 2008.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Blanket Purchase Orders	11		921	11	
2						
3						
4	Customer Information Clearing	4,395	8,403,572	VAR	8,404,899	3,068
5						
6						
7	Other		7,264	VAR	7,264	
8						
9						
10						
11						
12						
13						
14						
15						
16						
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42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)	600,000		VAR	600,000	
49	TOTAL	604,406				3,068

Name of Respondent UNN Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ACCUMULATED DEFERRED INCOME TAXES (Account 190)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.					
Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)		
1	Electric				
2	Alternative Minimum Tax Credit	374,399	859,863		
3	Tax Operating Loss Carryforwards		143,373		
4					
5	Deferred Income Tax Assets (See Note 1)	10,158,343	7,925,939		
6					
7	Other				
8	TOTAL Electric (Enter Total of lines 2 thru 7)	10,532,742	8,929,175		
9	Gas				
10					
11					
12					
13					
14					
15	Other				
16	TOTAL Gas (Enter Total of lines 10 thru 15)				
17	Other (Specify)				
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	10,532,742	8,929,175		
Notes					

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNSE Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 5 Column: b

Contributions in Aid of Construction	1,287,350
Customer Advances	4,515,853
Purchased Power Fuel Adjustment Clause	3,643,810
Deferred Compensation	365,244
Bad Debt	335,813
Other	10,273
	<hr/> 10,158,343

Schedule Page: 234 Line No.: 5 Column: c

Contributions in Aid of Construction	2,001,865
Customer Advances	5,005,279
Purchased Power Fuel Adjustment Clause	-
Deferred Compensation	491,411
Bad Debt	371,180
Other	56,204
	<hr/> 7,925,939

Name of Respondent UNSW Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)	
1	Electric			
2	Alternative Minimum Tax Credit	374,399	859,863	
3	Tax Operating Loss Carryforwards		143,373	
4				
5	Deferred Income Tax Assets (See Note 1)	10,158,343	7,925,939	
6				
7	Other			
8	TOTAL Electric (Enter Total of lines 2 thru 7)	10,532,742	8,929,175	
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)			
17	Other (Specify)			
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	10,532,742	8,929,175	
Notes				

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNSC Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 5 Column: b

Contributions in Aid of Construction	1,287,350
Customer Advances	4,515,853
Purchased Power Fuel Adjustment Clause	3,643,810
Deferred Compensation	365,244
Bad Debt	335,813
Other	10,273
	<hr/> 10,158,343

Schedule Page: 234 Line No.: 5 Column: c

Contributions in Aid of Construction	2,001,865
Customer Advances	5,005,279
Purchased Power Fuel Adjustment Clause	-
Deferred Compensation	491,411
Bad Debt	371,180
Other	56,204
	<hr/> 7,925,939

Name of Respondent UNSE Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock			
2	Account 201	1,000		
3				
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Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
1,000	10					2
						3
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						5
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Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)					
Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.					
(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.					
(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.					
(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.					
(d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.					
Line No.	Item (a)	Amount (b)			
1	Account 208 - Donations Received from stockholders				
2	- Paid-In Capital from UniSource Energy Services, Inc.	58,906,477			
3					
4	Account 209 - Reduction in Par of Stated Value of Capital Stock				
5					
6	Account 210 - Gain on Resale or Cancellation of Reacquired Capital Stk				
7					
8	Account 211 - Miscellaneous Paid-in Capital				
9	- Adjust Acquisition Adjustment for Direct Costs	-19,816			
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40	TOTAL	58,886,661			

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	7.61% UNS Electric Note	60,000,000	792,795
2			
3	UNS Electric Revolving Credit Facility	45,000,000	89,233
4			
5	6.5% 2015 Senior Unsecured Notes	50,000,000	341,137
6	7.1% 2023 Guaranteed Notes Series B	50,000,000	341,137
7			
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33	TOTAL	205,000,000	1,564,302

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)						
<p>10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.</p> <p>11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.</p> <p>12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.</p> <p>13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.</p> <p>14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.</p> <p>16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>						
Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
(d)	(e)	Date From (f)	Date To (g)			
08/11/2003	08/11/2008	08/11/2003	08/11/2008		2,803,017	1
						2
08/11/2006	08/11/2011	08/11/2006	08/11/2011	8,000,000	837,258	3
						4
08/07/2008	08/07/2015	08/07/2008	08/07/2015	50,000,000	1,309,028	5
08/07/2008	08/07/2023	08/07/2008	08/07/2023	50,000,000	1,429,861	6
						7
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				108,000,000	6,379,164	33

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES					
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p> <p>3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.</p>					
Line No.	Particulars (Details) (a)				Amount (b)
1	Net Income for the Year (Page 117)				3,763,587
2	Reconciling Items for the Year:				
3					
4	Taxable Income Not Reported on Books				
5	Customer Advances				1,235,924
6	CIAC				1,981,339
7					
8					
9	Deductions Recorded on Books Not Deducted for Return				
10	Federal and State Income Tax Expense				2,408,627
11	Other				1,950,894
12					
13					
14	Income Recorded on Books Not Included in Return				
15	Accrued Interest				3,283
16	AFUDC Equity				322,167
17					
18					
19	Deductions on Return Not Charged Against Book Income				
20	State Income Taxes				
21	PPFAC				9,286,554
22	Tax Depreciation in Excess of Book Depreciation				3,043,632
23	Repairs Capitalized				5,226,714
24	Deductible Service Costs				365,851
25	Other				73,383
26					
27	Federal Tax Net Income				-6,981,213
28	Show Computation of Tax:				
29	Federal Income Tax at 35%				-2,443,425
30					
31	*Affiliated Group Information				
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNs Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 11 Column: b

Bad Debt Expense for Books in Excess of Tax	530,646
Contributions Carryover	79,201
Deferred Expenses - EPS	132,602
Dividends Equivalents	21,743
FAS 112	91,869
Incentive Comp - PEP	264,317
Rate Case Expenses	358,333
Restricted Stock - Directors	63,129
SERP	102,142
Stock Options	160,102
Pension	66,778
Meals & Entertainment	20,555
Vacation	59,477
	<u>1,950,894</u>

Schedule Page: 261 Line No.: 25 Column: b

Rabbi Trust	52,416
Restricted Stock	20,967
	<u>73,383</u>

Schedule Page: 261 Line No.: 31 Column: a

Affiliated Group Members	Percentage Owned	Federal Income Tax Assigned
UniSource Energy Corporation		(2,349,240)
Advanced Energy Technologies, Inc.	100%	(436,440)
Escavada Leasing Company	100%	2,851
MEH Equities Management Company	100%	(18,344)
Millennium Energy Holdings, Inc.	100%	137,275
Millennium Environmental Group, Inc.	100%	(63,021)
Nations Energy Corporation	100%	(482)
San Carlos Resources, Inc.	100%	-
Southwest Energy Solutions, Inc.	100%	253,869
Tucson Electric Power Company	100%	(13,318,102)
Tucsonel, Inc.	100%	-
UniSource Energy Development Company	100%	362,325
UniSource Energy Services, Inc.	100%	891
UNS Gas, Inc.	100%	1,193,964
UNS Electric, Inc.	100%	(1,324,752)
Total		<u>(15,559,206)</u>

The Affiliated Group files a consolidated federal income tax return. The tax liability of the group is first allocated to members in accordance with section 1.1552-1(a)(2) of the Income Tax Regulations. The Group has elected 100% as the fixed percentage to be used to allocate additional amounts to members in accordance with section 1.1502-33(d)(3) of the regulations.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal					
2	Income	-623,330		-2,502,758	-3,183,383	
3	FICA	10,979		788,355	789,466	
4	Unemployment	437		10,139	10,399	
5						
6	Subtotal	-611,914		-1,704,264	-2,383,518	
7						
8	State & Local - Arizona					
9	Income	-163,875		-359,583	-358,466	
10	Prepaid Tax - ACC			196,416	305,150	
11	Real & Personal Prop Tax	1,603,192		3,392,421	3,300,418	
12	Unemployment	672		12,894	13,308	
13	Other Taxes					
14						
15						
16						
17	Subtotal	1,439,989		3,242,148	3,260,410	
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41	TOTAL	828,075		1,537,884	876,892	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
57,295		-3,812,583			1,309,825	2
9,868		392,942			395,413	3
177		10,139				4
						5
67,340		-3,409,502			1,705,238	6
						7
						8
-164,992		-139,010			-220,573	9
	108,734				196,416	10
1,695,195		3,186,420			206,001	11
258		12,894				12
		78,240			-78,240	13
						14
						15
						16
1,530,461	108,734	3,138,544			103,604	17
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1,597,801	108,734	-270,958			1,808,842	41

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
OTHER DEFERRED CREDITS (Account 253)							
1. Report below the particulars (details) called for concerning other deferred credits. 2. For any deferred credit being amortized, show the period of amortization. 3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.							
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)	
			Contra Account (c)	Amount (d)			
1	Deferred Reclamation Costs	327,921	VAR	227,968		99,953	
2	Other Deferred Credits	13,605	925	15,103	10,120	8,622	
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47	TOTAL	341,526		243,071	10,120	108,575	

Name of Respondent UNSC Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	5,648,809	4,741,602		
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	5,648,809	4,741,602		
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	5,648,809	4,741,602		
10	Classification of TOTAL				
11	Federal Income Tax	4,931,822	4,034,328	-10,924	
12	State Income Tax	716,987	707,274	10,924	
13	Local Income Tax				
NOTES					

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						10,390,411	2
							3
							4
						10,390,411	5
							6
							7
							8
						10,390,411	9
							10
						8,977,074	11
						1,413,337	12
							13

NOTES (Continued)

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3					
4	Other	238,188	108,274	464,248	
5					
6					
7					
8					
9	TOTAL Electric (Total of lines 3 thru 8)	238,188	108,274	464,248	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18					
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	238,188	108,274	464,248	
20	Classification of TOTAL				
21	Federal Income Tax	195,487	88,861	381,012	
22	State Income Tax	42,701	19,413	83,236	
23	Local Income Tax				
NOTES					

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						-117,786	4
							5
							6
							7
							8
						-117,786	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
						-117,786	19
							20
						-96,664	21
						-21,122	22
							23

NOTES (Continued)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 4 Column: k

The Other balance at the end of the year is comprised of the following amounts:

Rate Case Expenses	95,700
Pension	(10,695)
SERP	(202,792)
Total	<u>(117,787)</u>

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.						
3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Purchased Power Fuel Adjustment Clause	9,286,554	555/565	189,464,437	186,637,334	6,459,451
2	ACC Decision # 66028					
3	Issued July 2003					
4						
5	DSM Program		456	221,563	428,417	206,854
6	ACC Decision # 70360					
7	Issued May 2008					
8						
9	Renewable Energy Standard Tariff Plan		416	457,749	1,328,931	871,182
10	ACC Decision # 70315					
11	Issued April 2008					
12						
13	Unrealized Gains on Derivative	9,835,572	175/176/244	44,069,141	34,233,569	
14	ACC Decision # 69202					
15	Issued December, 2006					
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	19,122,126		234,212,890	222,628,251	7,537,487

Name of Respondent UNSE Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>
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ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.

2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.

3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.

4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	92,231,621	85,759,676
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	69,412,607	63,570,755
5	Large (or Ind.) (See Instr. 4)	19,626,605	15,431,353
6	(444) Public Street and Highway Lighting	368,082	383,579
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	181,638,915	165,145,363
11	(447) Sales for Resale	10,168,115	234,273
12	TOTAL Sales of Electricity	191,807,030	165,379,636
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	191,807,030	165,379,636
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues	1,220,716	887,998
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	428,014	314,545
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	1,445,274	2,376,590
22	(456.1) Revenues from Transmission of Electricity of Others	9,654	
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	3,103,658	3,579,133
27	TOTAL Electric Operating Revenues	194,910,688	168,958,769

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

7. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
822,497	854,119	79,378	79,044	2
				3
619,581	626,738	10,334	10,161	4
219,003	198,728	18	14	5
2,237	2,247	257	252	6
				7
				8
				9
1,663,318	1,681,832	89,987	89,471	10
152,947	2,548	2	1	11
1,816,265	1,684,380	89,989	89,472	12
				13
1,816,265	1,684,380	89,989	89,472	14

Line 12, column (b) includes \$ 9,215,518 of unbilled revenues.

Line 12, column (d) includes 80.972 MWH relating to unbilled revenues

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNIS Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 12 Column: b

Includes Unbilled Revenues:

Customer Class-	
Residential	4,120,694
Commercial	3,270,861
Industrial	1,792,235
Public Street Lighting	19,145
Sales for Resale	12,583
	<hr/> 9,215,518

Schedule Page: 300 Line No.: 12 Column: d

Includes Unbilled Sales (MWH):

Customer Class-	
Residential	27,406
Commercial	115
Industrial	130
Public Street Lighting	18,577
Sales for Resale	34,744
	<hr/> 80,972

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.

6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 440 - Residential					
2	Santa Cruz Residential	126,701	14,246,965	14,848	8,533	0.1124
3	Santa Cruz Residential CARES					
4	Mohave Residential	701,762	77,950,493	63,525	11,047	0.1111
5	RES-01-TOU	8	942	1	8,000	0.1178
6	Dusk to Dawn Lighting Service	615	108,410	1,005	612	0.1763
7	Residential Unbilled	-6,590	-75,190			0.0114
8	Duplicate Customers					
9	Total Account 440	822,496	92,231,620	79,379	10,362	0.1121
10						
11	Account 442 - Commercial					
12	Santa Cruz Small General Serv.	23,505	3,155,345	2,019	11,642	0.1342
13	Mohave Small General Service	69,136	8,320,330	5,645	12,247	0.1203
14	Large General Service	501,596	54,909,894	2,063	243,139	0.1095
15	Large General Service TOU	3,068	331,612	11	278,909	0.1081
16	Interruptible Power Service	24,639	2,267,449	25	985,560	0.0920
17	Dusk to Dawn Lighting	1,687	311,918	571	2,954	0.1849
18	Billed Commercial Adjustment					
19	Commercial Unbilled Revenue	-3,977	116,057			-0.0292
20	Duplicate Customers					
21	Total Account 442 - Commercial	619,654	69,412,605	10,334	59,963	0.1120
22						
23	Account 442 - Industrial					
24	Large Power Serv - Distribution	54,154	5,612,848	10	5,415,400	0.1036
25	Large Power Serv - Trans TOU	148,383	12,414,767	8	18,547,875	0.0837
26	Billed Industrial Adjustment	-2,111	-193,244			0.0915
27	Industrial Unbilled Revenue	18,504	1,792,235			0.0969
28	Total Account 442 - Industrial	218,930	19,626,606	18	12,162,778	0.0896
29	Acct 444 - Public Street Lighting					
30	Santa Cruz Small General Serv	752	101,123	33	22,788	0.1345
31	Mohave Small General Service	395	43,717	14	28,214	0.1107
32	Large General Service	216	23,610	5	43,200	0.1093
33	Dusk to Dawn Lighting	841	192,986	205	4,102	0.2295
34	Public Street Lighting Unbilled	33	6,646			0.2014
35	Total Account 444	2,237	368,082	257	8,704	0.1645
36						
37						
38						
39						
40						
41	TOTAL Billed	1,655,274	179,799,167	89,988	18,394	0.1086
42	Total Unbilled Rev. (See Instr. 6)	8,043	1,839,748	0	0	0.2287
43	TOTAL	1,663,317	181,638,915	89,988	18,484	0.1092

Name of Respondent UNS Electric, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 3 Column: a

Due to a change in accounting the CARES revenues are included in the other residential revenue amounts.

Schedule Page: 304 Line No.: 7 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 7 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 19 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 19 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 27 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 27 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 34 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 34 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Schedule Page: 304 Line No.: 42 Column: b

The amount represents the net change in unbilled sales during the year. Unbilled sales at year-end are reported on page 301.

Schedule Page: 304 Line No.: 42 Column: c

The amount represents the net change in unbilled revenues during the year. Unbilled revenues at year-end are reported on page 301.

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Comision Federal de Electricidad	LF				
2						
3	Barclays	SF	WSPP			
4	Constellation Commodities Group	SF	WSPP			
5	Conoco-Phillips Energy	SF	WSPP			
6	Credit Suisse Energy Marketing	SF	WSPP			
7	Morgan Stanley Commodities Group	SF	WSPP			
8	Pacificorp	SF	WSPP			
9	Powerex	SF	WSPP			
10	Tucson Electric Power	SF	ER07-964-001			
11	Inadvertant					
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
2,519		256,401		256,401	1
					2
2,122		187,084		187,084	3
415		42,660		42,660	4
125		10,375		10,375	5
2,540		258,923		258,923	6
45		8,280		8,280	7
59		2,350		2,350	8
1,296		134,318		134,318	9
143,857		9,267,724		9,267,724	10
-31					11
					12
					13
					14
0	0	0	0	0	
152,947	0	10,168,115	0	10,168,115	
152,947	0	10,168,115	0	10,168,115	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNs Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: a

This customer is located outside of the United States, in Sonora, Mexico. Service is allowed by U.S. Department of Energy, Presidential Permit.

Schedule Page: 310 Line No.: 1 Column: b

Service may be terminated by UNS-Electric upon 60 days notice to customer.

Schedule Page: 310 Line No.: 10 Column: a

UNS Electric Inc. and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering			
5	(501) Fuel			
6	(502) Steam Expenses			
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses			
10	(506) Miscellaneous Steam Power Expenses			
11	(507) Rents			
12	(509) Allowances			
13	TOTAL Operation (Enter Total of Lines 4 thru 12)			
14	Maintenance			
15	(510) Maintenance Supervision and Engineering			
16	(511) Maintenance of Structures			
17	(512) Maintenance of Boiler Plant			
18	(513) Maintenance of Electric Plant			
19	(514) Maintenance of Miscellaneous Steam Plant			
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)			
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)			
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr.			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses			
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)			
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant			
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)			
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)			
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering			
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses			
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)			
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures			
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant			
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)			
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)			

Name of Respondent UNN Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	62,406	82,756	
63	(547) Fuel	7,621,714		
64	(548) Generation Expenses	35,931	62,999	
65	(549) Miscellaneous Other Power Generation Expenses	806,947	307,723	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	8,526,998	453,478	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering		21,724	
70	(552) Maintenance of Structures		2,607	
71	(553) Maintenance of Generating and Electric Plant	125,323	219,644	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	64,400	109,230	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	189,723	353,205	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	8,716,721	806,683	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	127,658,012	110,870,490	
77	(556) System Control and Load Dispatching	3,220		
78	(557) Other Expenses	356,999	2,078,960	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	128,018,231	112,949,450	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	136,734,952	113,756,133	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering			
84	(561) Load Dispatching	6,095	6,200	
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	33,027	55,132	
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services			
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	25,627	93,171	
94	(563) Overhead Lines Expenses	14,932	4,010	
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	8,082,997	7,331,822	
97	(566) Miscellaneous Transmission Expenses	99,300	102,710	
98	(567) Rents	27,940	77,943	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	8,289,918	7,670,988	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures			
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	22,699	2,762	
108	(571) Maintenance of Overhead Lines	36,134	27,654	
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant	23		
111	TOTAL Maintenance (Total of lines 101 thru 110)	58,856	30,416	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	8,348,774	7,701,404	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
113	3. REGIONAL MARKET EXPENSES				
114	Operation				
115	(575.1) Operation Supervision				
116	(575.2) Day-Ahead and Real-Time Market Facilitation				
117	(575.3) Transmission Rights Market Facilitation				
118	(575.4) Capacity Market Facilitation				
119	(575.5) Ancillary Services Market Facilitation				
120	(575.6) Market Monitoring and Compliance				
121	(575.7) Market Facilitation, Monitoring and Compliance Services				
122	(575.8) Rents				
123	Total Operation (Lines 115 thru 122)				
124	Maintenance				
125	(576.1) Maintenance of Structures and Improvements				
126	(576.2) Maintenance of Computer Hardware				
127	(576.3) Maintenance of Computer Software				
128	(576.4) Maintenance of Communication Equipment				
129	(576.5) Maintenance of Miscellaneous Market Operation Plant				
130	Total Maintenance (Lines 125 thru 129)				
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)				
132	4. DISTRIBUTION EXPENSES				
133	Operation				
134	(580) Operation Supervision and Engineering	422,245	501,131		
135	(581) Load Dispatching	562,134	465,108		
136	(582) Station Expenses	74,547	106,192		
137	(583) Overhead Line Expenses	491,139	606,870		
138	(584) Underground Line Expenses	475,089	543,861		
139	(585) Street Lighting and Signal System Expenses	1,886	365		
140	(586) Meter Expenses	759,850	760,552		
141	(587) Customer Installations Expenses	34,743	14,214		
142	(588) Miscellaneous Expenses	1,103,802	1,047,091		
143	(589) Rents	83,088	79,529		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	4,008,523	4,124,913		
145	Maintenance				
146	(590) Maintenance Supervision and Engineering		20,901		
147	(591) Maintenance of Structures				
148	(592) Maintenance of Station Equipment	720,102	628,660		
149	(593) Maintenance of Overhead Lines	735,820	785,206		
150	(594) Maintenance of Underground Lines	104,656	121,272		
151	(595) Maintenance of Line Transformers	104,293	76,937		
152	(596) Maintenance of Street Lighting and Signal Systems	310,098	31,334		
153	(597) Maintenance of Meters	608	7,933		
154	(598) Maintenance of Miscellaneous Distribution Plant	15,555	6,801		
155	TOTAL Maintenance (Total of lines 146 thru 154)	1,991,132	1,679,044		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	5,999,655	5,803,957		
157	5. CUSTOMER ACCOUNTS EXPENSES				
158	Operation				
159	(901) Supervision	255,122	229,152		
160	(902) Meter Reading Expenses	912,257	679,936		
161	(903) Customer Records and Collection Expenses	3,015,145	3,331,155		
162	(904) Uncollectible Accounts	1,200,504	762,728		
163	(905) Miscellaneous Customer Accounts Expenses	38,596	32,648		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	5,421,624	5,035,619		

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision				
168	(908) Customer Assistance Expenses	546,006	201,042		
169	(909) Informational and Instructional Expenses	192,157	125,950		
170	(910) Miscellaneous Customer Service and Informational Expenses	31,040	7,215		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	769,203	334,207		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses	85			
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	85			
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	3,295,964	2,748,106		
182	(921) Office Supplies and Expenses	1,074,369	1,012,429		
183	(Less) (922) Administrative Expenses Transferred-Credit	1,004,502	534,685		
184	(923) Outside Services Employed	1,351,096	923,395		
185	(924) Property Insurance	81,780	74,183		
186	(925) Injuries and Damages	623,802	581,234		
187	(926) Employee Pensions and Benefits	1,689,643	1,515,139		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses				
190	(929) (Less) Duplicate Charges-Cr.	86,769	102,087		
191	(930.1) General Advertising Expenses	51,398	23,808		
192	(930.2) Miscellaneous General Expenses	288,697	1,058,236		
193	(931) Rents	54,240	92,700		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	7,419,718	7,392,458		
195	Maintenance				
196	(935) Maintenance of General Plant	20,026	-277		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	7,439,744	7,392,181		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	164,714,037	140,023,501		

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.

2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Pinnacle West Capital	RQ	Rate Sched 4		293	270
2	Barclays	SF	WSPP			
3	Constellation Commodities Group	SF	WSPP			
4	Credit Suisse Energy Marketing	SF	WSPP			
5	Morgan Stanley Commodities Group	SF	WSPP			
6	Pacificorp	SF	WSPP			
7	Powerex	SF	WSPP			
8	Salt River Project	SF	WSPP			
9	Tucson Electric Power	SF	ER07-964			
10						
11	Unisource Energy Development	LF	ER08-662			
12	Purchased Power Fuel Adjustor Clause					
13						
14						
	Total					

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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PURCHASED POWER (Account 555) (Continued)
(including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
665,490				39,124,157		39,124,157	1
186,595				12,912,022		12,912,022	2
51,705				4,105,377		4,105,377	3
544,105				36,398,672		36,398,672	4
							5
22,075				845,575		845,575	6
							7
23,190				970,100		970,100	8
338,772				23,454,590		23,454,590	9
							10
98,987			5,985,000	819,175		6,804,175	11
					3,043,344	3,043,344	12
							13
							14
1,930,919			5,985,000	118,629,668	3,043,344	127,658,012	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNSE Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 9 Column: a

UNSE Electric Inc. and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc.

Schedule Page: 326 Line No.: 11 Column: a

Unisource Energy Development, Inc., UNSE Electric Inc., and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc. Unisource Energy Development delivers energy to UNSE-Electric from its Black Mountain Generating Station. Black Mountain delivers up to 90 MW of energy.

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Aha Macav Power Service	Western Area Power Admin	Aha Macav Power Service	NF	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
	TOTAL				

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
ER03-1064	Griffith, AZ	Boundry Cone, AZ	8	5,298	5,298	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
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						21
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						23
						24
						25
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						29
						30
						31
						32
						33
						34
			8	5,298	5,298	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')				
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>				
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
9,654			9,654	1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
9,654	0	0	9,654	

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of <u>2008/Q4</u>					
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Received Power From:							
2	Arizona Public Service	SFP	116,729	116,729		875,144		875,144
3	Southwest Trans Coop	NF	925	925		8,297		8,297
4	Western Area Power Admn	FNS	1,124,262	1,124,262	1,681,001			1,681,001
5	Western Area Power Admn	NF	281,755	281,755		801,559		801,559
6	Western Area Power Admn	LFP	3,163,400	3,163,400	4,659,935			4,659,935
7	Western Area Power Admn	SFP	1,341	1,341		2,323		2,323
8	Tucson Electric Power		16,496	22,405				
9	Purchased Powr Fuel Adj	OS					54,738	54,738
10								
11								
12								
13								
14								
15								
16								
	TOTAL		4,704,908	4,710,817	6,340,936	1,687,323	54,738	8,082,997

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report 2008/Q4
UNN Electric, Inc.			
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 4 Column: a

Network Service

Schedule Page: 332 Line No.: 7 Column: a

OASIS Short Term Firm

Schedule Page: 332 Line No.: 8 Column: a

UNN Electric Inc. and Tucson Electric Power are affiliated, wholly owned subsidiaries of Unisource Energy Inc.

Schedule Page: 332 Line No.: 8 Column: c

Network Imbalance Energy Received

Schedule Page: 332 Line No.: 8 Column: d

Network Imbalance Energy Delivered

Schedule Page: 332 Line No.: 9 Column: a

Purchased Power Fuel Adjustor Clause

Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues	81,699			
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses				
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	12,636			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000				
6	Directors Fees	108,512			
7	Wages	24,959			
8	Allocated Internal Expenses	21,301			
9	Materials & Supplies	12,754			
10	Training	12,388			
11	Travel	6,198			
12	Facilities Rental & Building Usage	5,395			
13	Other	2,855			
14					
15					
16					
17					
18					
19					
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24					
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46	TOTAL	288,697			

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4			
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. Report in section A for the year the amounts for: (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			1,213,651		1,213,651
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	576,999				576,999
7	Transmission Plant	2,037,026				2,037,026
8	Distribution Plant	14,140,711		3,464		14,144,175
9	Regional Transmission and Market Operation					
10	General Plant	689,295				689,295
11	Common Plant-Electric					
12	TOTAL	17,444,031		1,217,115		18,661,146
B. Basis for Amortization Charges						
<p>Amortization charges to account 404 primarily consist of amortization of software and capital obligations for certain transmission property construction funding by UNS Electric in accordance with the current transmission agreement between the Company and WAPA. Software is amortized over its estimated economic life. The capital obligations are amortized over the economic life of the transmission property constructed.</p>						

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Other Production	26,381					
13	341	1,969	49.00		2.07	S6	29.50
14	342	847	40.00		2.51	S4	32.63
15	343	13,419	40.00		2.53	R3	26.17
16	344	6,304	43.00		2.33	SO	36.15
17	345	2,513	43.00		2.35	S6	29.39
18	346	1,329	38.00		2.64	R1	33.34
19	Transmission	55,575					
20	350-Rights	346	50.00		2.02	SQ	31.35
21	352	428	33.00		3.13	R3	12.75
22	353	18,912	32.00		3.15	R1	21.72
23	354	522	20.00		5.03	L0	15.92
24	355	20,666	25.00	-10.00	4.48	S5	12.68
25	356	14,517	38.00		2.66	L3	23.85
26	358	27	50.00	-5.00	4.36	R4	10.50
27	359	184	50.00		2.02	SQ	35.18
28	Distribution	331,999					
29	360-Rights	133	50.00		2.03	SQ	27.71
30	361	5,691	34.00		2.96	R4	25.54
31	362	39,478	25.00		4.09	S4	11.54
32	364	85,011	27.00	-10.00	4.14	S4	14.83
33	365	58,978	27.00	-10.00	4.13	S3	15.16
34	366	16,265	28.00	-5.00	3.79	S2	18.66
35	367	37,799	23.00		4.40	S3	14.20
36	368	62,000	23.00	-5.00	4.63	S4	13.46
37	369-Overhead	8,524	27.00		3.77	R5	14.43
38	369-Underground	4,877	27.00		3.75	R5	16.26
39	370	9,136	34.00	-5.00	3.11	R3	24.14
40	373	4,107	25.00		4.04	S4	16.64
41	General	22,696					
42	390	2,611	38.00		2.65	R2	29.03
43	391-Office F&E	1,575	21.00		4.76	SQ	13.37
44	391-Computer Eq	670	5.00		20.00	SQ	1.13
45	392-Class 1	148	8.00		12.75	L1.5	4.00
46	392-Class 2	1,261	6.00		16.99	L2	3.02
47	392-Class 3	1,057	5.00		20.21	S5	3.28
48	392-Class 4	1,834	8.00		13.47	S4	1.63
49	392-Class 5	5,144	8.00		12.55	S4	6.58
50	393	119	33.00		3.03	SQ	14.67

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	394	2,667	29.00		3.45	SQ	16.32
13	395	1,431	40.00		2.50	SQ	25.85
14	396	1,879	15.00		6.92	S5	5.16
15	397	2,176	23.00		4.35	SQ	19.07
16	398	124	18.00		5.56	SQ	5.19
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Name of Respondent UNS Electric, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Misc. expenses pertaining to Rate Case Filing				
2	to the Arizona Corporation Commission for the		537,757	537,757	
3	test year ended June 30, 2006. Commission				
4	approved \$300,000 of rate case expenses to be				
5	amortized over a 3 year period starting Jun-08				
6	ACC Decision 70360				
7					
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46	TOTAL		537,757	537,757	

Name of Respondent UNS Electric, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2009		Year/Period of Report End of 2008/Q4	
REGULATORY COMMISSION EXPENSES (Continued)								
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.								
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.								
5. Minor items (less than \$25,000) may be grouped.								
EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.	
Department (f)	Account No. (g)	Amount (h)						
	186	-300,000	300,000	407	58,333	241,667	1	
	920	195,005					2	
	923	206,359					3	
	Various	78,060					4	
							5	
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		179,424	300,000		58,333	241,667	46	

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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	57,028		
4	Transmission	46,604		
5	Regional Market			
6	Distribution	1,335,736		
7	Customer Accounts	850,435		
8	Customer Service and Informational	114,123		
9	Sales			
10	Administrative and General	735,616		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	3,139,542		
12	Maintenance			
13	Production	58,595		
14	Transmission	27,898		
15	Regional Market			
16	Distribution	975,429		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	1,061,922		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	115,623		
21	Transmission (Enter Total of lines 4 and 14)	74,502		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	2,311,165		
24	Customer Accounts (Transcribe from line 7)	850,435		
25	Customer Service and Informational (Transcribe from line 8)	114,123		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	735,616		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	4,201,464	601,480	4,802,944
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

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DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	4,201,464	601,480		4,802,944
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	4,083,251	902,413		4,985,664
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	4,083,251	902,413		4,985,664
72	Plant Removal (By Utility Departments)				
73	Electric Plant	63,083	2,872		65,955
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	63,083	2,872		65,955
77	Other Accounts (Specify, provide details in footnote):				
78					
79					
80					
81					
82					
83	163 - Stores Expense	306,971	-306,971		
84					
85	184 - Clearing Accounts	1,205,029	-1,205,029		
86					
87	416 - Merchandising Expense		21		21
88	417 - Nonutility Income and Expense	10,789	5,214		16,003
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	1,522,789	-1,506,765		16,024
96	TOTAL SALARIES AND WAGES	9,870,587			9,870,587

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MONTHLY TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
NAME OF SYSTEM:										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	278	17	800	278					
2	February	271	6	800	271					
3	March	224	4	800	224					
4	Total for Quarter 1	773			773					
5	April	245	29	1700	245					
6	May	367	19	1700	367					
7	June	400	17	1600	400					
8	Total for Quarter 2	1,012			1,012					
9	July	409	2	1600	409					
10	August	408	1	1600	408					
11	September	354	5	1600	354					
12	Total for Quarter 3	1,171			1,171					
13	October	307	1	1600	307					
14	November	217	1	1600	217					
15	December	266	17	1900	266					
16	Total for Quarter 4	790			790					
17	Total Year to Date/Year	3,746			3,746					

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ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	1,663,318
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	152,947
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	1,293
7	Other	15,157	27	Total Energy Losses	122,609
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	1,940,167
9	Net Generation (Enter Total of lines 3 through 8)	15,157			
10	Purchases	1,930,919			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received	5,298			
17	Delivered	5,298			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses	-5,909			
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	1,940,167			

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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MONTHLY PEAKS AND OUTPUT

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	146,984	240	278	17	800
30	February	128,698	189	271	6	800
31	March	127,861	212	224	4	800
32	April	123,459	258	245	29	1700
33	May	138,488	219	367	19	1700
34	June	204,460	28,927	400	17	1600
35	July	222,837	23,464	409	2	1600
36	August	218,068	19,550	408	1	1600
37	September	197,387	35,480	354	5	1600
38	October	157,474	30,675	307	1	1600
39	November	123,392	10,264	217	1	1600
40	December	151,059	13,376	266	17	1900
41	TOTAL	1,940,167	162,854			

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)							
<p>1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.</p>							
Line No.	Item (a)	Plant Name: Valencia (b)	Plant Name: (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Gas Turbine					
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Outdoor					
3	Year Originally Constructed	1989					
4	Year Last Unit was Installed	2006					
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	61.00	0.00				
6	Net Peak Demand on Plant - MW (60 minutes)	59	0				
7	Plant Hours Connected to Load	923	0				
8	Net Continuous Plant Capability (Megawatts)	61	0				
9	When Not Limited by Condenser Water	61	0				
10	When Limited by Condenser Water	61	0				
11	Average Number of Employees	1	0				
12	Net Generation, Exclusive of Plant Use - KWh	3174000	0				
13	Cost of Plant: Land and Land Rights	97573	0				
14	Structures and Improvements	1969407	0				
15	Equipment Costs	24413732	0				
16	Asset Retirement Costs	0	0				
17	Total Cost	26480712	0				
18	Cost per KW of Installed Capacity (line 17/5) Including	434.1100	0.0000				
19	Production Expenses: Oper, Supv, & Engr	905284	0				
20	Fuel	1320109	0				
21	Coolants and Water (Nuclear Plants Only)	0	0				
22	Steam Expenses	0	0				
23	Steam From Other Sources	0	0				
24	Steam Transferred (Cr)	0	0				
25	Electric Expenses	0	0				
26	Misc Steam (or Nuclear) Power Expenses	0	0				
27	Rents	0	0				
28	Allowances	0	0				
29	Maintenance Supervision and Engineering	0	0				
30	Maintenance of Structures	64400	0				
31	Maintenance of Boiler (or reactor) Plant	0	0				
32	Maintenance of Electric Plant	125323	0				
33	Maintenance of Misc Steam (or Nuclear) Plant	0	0				
34	Total Production Expenses	2415116	0				
35	Expenses per Net KWh	0.7609	0.0000				
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas					
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MCF					
38	Quantity (Units) of Fuel Burned	75255	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1015	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	17.542	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	17.542	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	17.283	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.416	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	24065.477	0.000	0.000	0.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0.0000	0.0000	0.0000	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Transmission-Northern Ariz	Havasu / Kingman		69.00	SP-W	225.78		
2				69.00	SP-S	1.00		2
3				69.00	SP-S	9.00		1
4				69.00	SP-S	14.29		1
5				69.00	SP-S	1.30		1
6				69.00	SP-S	12.00		1
7				69.00	SP-S	0.30		2
8	Transmission-Santa Cruz		115.00		SP-S	55.75		
9					HF-W			
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	319.42		8

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
1/0 Copper	1,047,291	25,993,205	27,040,496	113,807	48,376	27,940	190,123	1
927 AAAC/795								2
927 AAAC/795								3
559AAAC								4
1/0 ACSR								5
954 ACSR								6
4/0 ACSR								7
559.5 AAAC	383,797	9,922,943	10,306,740	65,174	10,456		75,630	8
								9
								10
								11
								12
								13
								14
								15
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								35
	1,431,088	35,916,148	37,347,236	178,981	58,832	27,940	265,753	36

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TRANSMISSION LINES ADDED DURING YEAR							
<p>1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.</p> <p>2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (f) to (g), it is permissible to report in these columns the</p>							
Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	West Golden Valley	Mineral Park	12.00	SP-S	15.00	1	1
2							
3							
4							
5							
6							
7							
8							
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42							
43							
44	TOTAL		12.00		15.00	1	1

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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
929 AAAC		Armless	69		1,453,627	131,346		1,584,973	1
									2
									3
									4
									5
									6
									7
									8
									9
									10
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									34
									35
									36
									37
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									40
									41
									42
									43
					1,453,627	131,346		1,584,973	44

Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	MOHAVE				
2	Casson	DIST/ UNATTENDED	69.00	13.20	
3	Highway	DIST/ UNATTENDED	69.00	12.00	
4	Pierce Ferry Junction	DIST/ UNATTENDED	69.00	12.00	
5	Chloride	DIST/ UNATTENDED	69.00	12.00	
6	Duval Booster	DIST/ UNATTENDED	69.00	2.40	
7	Golden Valley	DIST/ UNATTENDED	69.00	20.80	
8	South Kingman	DIST/ UNATTENDED	69.00	12.00	
9	North Kingman	DIST/ UNATTENDED	69.00	12.00	
10	Airport	DIST/ UNATTENDED	69.00	13.20	
11	Jagerson	DIST/ UNATTENDED	69.00	13.20	
12	Boriana Junction	DIST/ UNATTENDED	69.00	20.80	
13	Yucca	DIST/ UNATTENDED	69.00	20.80	
14	Duval Waterfield	DIST/ UNATTENDED	69.00	2.40	
15	Warm Springs	DIST/ UNATTENDED	69.00	13.20	
16	Boundary Cone	DIST/ UNATTENDED	69.00	13.20	
17	Sacramento	DIST/ UNATTENDED	69.00	20.80	
18	Dolan Springs	DIST/ UNATTENDED	69.00	12.00	
19	So-Hi	DIST/ UNATTENDED	69.00	20.80	
20	Willow Beach	DIST/ UNATTENDED	69.00	12.00	
21	Eastern	DIST/ UNATTENDED	69.00	13.20	
22	West Golden Valley	DIST/ UNATTENDED	69.00	20.80	
23	Cattail Cove	DIST/ UNATTENDED	69.00	13.20	
24	Havasus Sub	DIST/ UNATTENDED	69.00	13.20	
25	Palo Verde	DIST/ UNATTENDED	69.00	13.20	
26	London Bridge	DIST/ UNATTENDED	69.00	13.20	
27	Franconia	DIST/ UNATTENDED	69.00	20.80	
28	Kiowa	DIST/ UNATTENDED	69.00	13.20	
29	Mulberry	DIST/ UNATTENDED	69.00	13.20	
30	Clearwater	DIST/ UNATTENDED	69.00	13.20	
31	North Havasu 20.8kV	DIST/ UNATTENDED	69.00	20.80	
32	Desert Hills	DIST/ UNATTENDED	69.00	13.20	
33	Black Mesa Substation	TRANS/UNATTENDED	230.00	69.00	13.20
34	Hilltop Substation	TRANS/UNATTENDED	230.00	69.00	13.20
35	Griffith Substation	TRANS/UNATTENDED	230.00	69.00	12.00
36	North Havasu Substation	TRANS/UNATTENDED	230.00	69.00	12.00
37	SANTA CRUZ - AZ Electric				
38	Valencia	DIST/ UNATTENDED	115.00	13.20	
39	Sonoita	DIST/ UNATTENDED	115.00	13.20	
40	Kantor	DIST/ UNATTENDED	115.00	13.20	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
66	2		Forced Air		66	2
3	3		None		3	3
12	1		Forced Air		12	4
1	3		None		1	5
2	3		None		2	6
10	1		Forced Air		10	7
12	1		Forced Air		12	8
12	1		Forced Air		12	9
20	1	1	Forced Air		20	10
40	1		Forced Air		40	11
5	1		None		5	12
3	1		Forced Air		3	13
3	3		None		3	14
12	1	1	Forced Air		12	15
12	1	1	Forced Air		12	16
20	1		Forced Air		20	17
12	1		Forced Air		12	18
3	1		Forced Air		3	19
2	1		Forced Air		2	20
12	1		Forced Air		12	21
20	1		Forced Air		20	22
1	3	1	None		1	23
50	2		Force Air		50	24
50	2		Forced Air		50	25
90	3		Forced Air & Oil		90	26
5	1		Forced Air		5	27
50	2		Forced Air		50	28
33	1		Forced Air		33	29
33	1		Forced Air & Oil		33	30
6	1		Forced Air		6	31
40	1		Forced Air		40	32
230	4		Forced Air		230	33
160	2		Forced Air		160	34
80	1		Forced Air		80	35
80	1		Forced Air		80	36
						37
12	2		Forced Air & Oil		40	38
12	2		Forced Air & Oil		40	39
10	1		Forced Air		12	40

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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Canez	DIST/ UNATTENDED	115.00	13.20	
2					
3	Summary	DIST/ UNATTENDED			
4	Summary	TRANS/ UNATTENDED			
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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Name of Respondent UNS Electric, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2009	Year/Period of Report End of 2008/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
10	1		Forced Air		12	1
						2
						3
684						4
550						5
						6
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BMGS Schedule F

Black Mountain Generating Station

Income Statement - Test Year Ended December 31, 2008 and
Projected Year Ended December 31, 2009 at Present and Proposed Rates

Schedule F-1
Page 1 of 1

Line No.	Description	Test Year Ended December 31, 2008 (a)	Projected Year Ended December 31, 2009 Present Rates	Projected Year Ended December 31, 2009 Proposed Rates	Line No.
1	Operating Revenues				1
2	Operating Expenses				2
3	Fuel, Purchased Power & Transmission	143,362,723	122,046,966	111,086,187 (1)	3
4	Other Operations and Maintenance Expense	21,409,649	27,058,677 (2)	27,058,677 (2)	4
5	Depreciation and Amortization	14,429,415	16,145,910 (2)	16,145,910 (2)	5
6	Taxes Other than Income Taxes	3,680,634	4,622,876 (2)	4,622,876 (2)	6
7	Total Operating Expenses	182,882,421	169,874,429	158,913,650	7
	Pre-Tax Operating Income	12,028,267	8,765,695	34,116,217	8
8	Other Income and Deductions	322,168	359,803	359,803	9
9	Interest Expense	76,881	(23,336)	(13,890)	10
10	Interest on Long-Term Debt	399,049	336,467	345,913	11
11	Allowance for Borrowed Funds	12,427,316	9,102,162	34,462,130	12
	Total Interest Expense	6,546,248	9,148,115 (3)	9,148,115 (3)	13
12	Income Before Income Tax Expense	217,612	275,555	270,583	14
13	Income Tax Expense	(181,815)	(313,178)	(313,178)	15
14	Net Income Available for Common Stock	6,582,045	9,110,492	9,105,520	16
15	Earnings Per Share of Average Common Stock	5,845,271	(8,330)	25,356,610	17
16	Return on Average Common Equity	2,081,685	(28,424) (4)	10,067,615 (4)	18
17		\$3,763,586	\$20,094	\$15,288,995	19
18		N/A	N/A (5)	N/A (5)	20
19		4.60%	0.02%	14.70%	
20					

- (1) Fuel, Purchased Power & Transmission Expense for Proposed Rates is adjusted to reflect BMGS Pro Forma Adjustments from Schedule C-1 BMGS.
(2) Projected year adjusted to reflect incremental long-term borrowing costs incurred to purchase the BMGS.
(3) Projected year adjusted to reflect the income tax impact of BMGS Pro Forma Adjustments.
(4) Projected year adjusted to reflect the income tax impact of BMGS Pro Forma Adjustments.
(5) UNS Electric, Inc. is a subsidiary of UniSource Energy Corporation and has no publicly traded stock; thus such information is not meaningful.

Supporting Schedules
(a) E-2 BMGS

Recap Schedules
A-2 BMGS

Black Mountain Generating Station

UNS Electric, Inc.

Statements of Cash Flows - Test Year Ended December 31, 2008 and
Projected Year Ended December 31, 2009 at Present and Proposed Rates
(Thousands of Dollars)

Schedule F-2
Page 1 of 1

Line No.	Description	Test Year Ended December 31, 2008 (a)	Projected Year Ended December 31, 2009		Line No.
			Present Rates	Proposed Rates	
1	Cash Flows from Operating Activities				1
2	Cash Receipts from Retail Customers	\$196,541	\$188,612	\$202,589	2
3	Cash Receipts from Electric Wholesale Sales	\$9,410	1,789	1,789	3
4	Other Cash Receipts	2,132	4,904	4,914	4
5	Fuel & Purchased Power	(134,127)	(116,043) (1)	(105,083) (1)	5
6	Payment of Other Operations and Maintenance Costs	(24,135)	(24,107) (3)	(24,107) (3)	6
7	Intercompany Cash Flows	(5,171)	(12,916)	(12,916)	7
8	Interest Paid, Net of Amounts Capitalized	(5,019)	(9,019) (2)	(9,014) (2)	8
9	Taxes Paid, Net of Amounts Capitalized	(17,789)	(16,138) (3)	(18,094) (3)	9
10	Net Income Taxes Paid	(713)	11,079 (4)	6,607 (4)	10
11	Other Cash Payments	(7,578)	3,530	3,530	11
	Net Cash Flows from Operating Activities	13,551	31,691	50,215	
12	Cash Flows from Investing Activities				12
13	Capital Expenditures	(29,664)	(29,512)	(29,512)	13
14	Other	80	0	0	14
	Net Cash Flows from Investing Activities	(29,584)	(29,512)	(29,512)	
15	Cash Flow from Financing Activities				15
16	Net Proceeds from Issuance / Retirement of Long-Term Debt	40,000	0	0	16
17	Net Borrowings under Revolver	(18,000)	(5,255)	(8,000)	17
18	Equity Investment from UniSource Energy Services	270	0	0	18
19	Payments on Capital Lease Obligations	(104)	(102)	(102)	19
20	Other	6	(2,061)	(2,061)	20
	Net Cash Flows from Financing Activities	22,172	(7,418)	(10,163)	
21	Net Increase (Decrease) in Cash	\$6,139	(\$5,239)	\$10,540	21

- (1) Fuel & Purchased Power for Proposed Rates is adjusted to reflect BMGS Pro Forma Adjustments from Schedule C-1 BMGS.
(2) Projected year adjusted to reflect incremental long-term borrowing costs incurred to purchase the BMGS.
(3) Projected year adjusted to reflect BMGS Pro Forma Adjustments from Schedule C-1 BMGS.
(4) Projected year adjusted to reflect the income tax impact of BMGS Pro Forma adjustments.

Supporting Schedule
(a) E-3 BMGS

Recap Schedules
A-5 BMGS

Black Mountain Generating Station

Schedule F-3
Page 1 of 1

UNS Electric, Inc.
Projected Construction Requirements
Test Year Ended December 31, 2008 and Projected Years 2009 through 2011 as of December 31
(Thousands of Dollars)

Line No.	Description	Test Year Ended December 31, 2008 (a), (b)	Projected Year Ended December 31,			Total 2009-2011	Line No.
			2009 (a), (b)	2010 (a)	2011 (a)		
1	Other Production Plant	\$649	\$1,692	\$354	\$565	\$2,611	1
2	Transmission Plant	6,401	7,241	9,623	9,957	26,821	2
3	Distribution Plant	20,411	18,953	11,422	9,787	40,162	3
4	General Plant	2,203	1,626	2,503	1,922	6,051	4
5	Total Construction Expenditures	<u>\$29,664</u>	<u>\$29,512</u>	<u>\$23,902</u>	<u>\$22,231</u>	<u>\$75,645</u>	5

Supporting Schedules
N/A

Recap Schedules
(a) A-4 BMGS
(b) F-2 BMGS

Black Mountain Generating Station

UNS Electric, Inc.
Key Assumptions Used in Preparing Forecasts

Customer Growth and Sales

Retail customer growth is forecasted to be 0.5% in 2009.
Retail sales growth is forecasted to be 6.5% in 2009.

Fuel, Purchased Power & Transmission Costs

Fuel and purchased power costs are forecasted using forward market projections and completed hedging transactions as of April 6, 2009.
PPFAC pricing and fuel and purchased power cost recovery are based on the PPFAC mechanism in effect as of April 2009.
For illustrative purposes, \$11M of purchase power and transmission costs savings are reflected in the projected year for the "Proposed Rates" scenario to reflect the proposed rate reclassification.

Operations and Maintenance Expenses

O&M Expenses for 2009 are based on the operating budget approved in December 2008.
Additional O&M, property taxes, and depreciation are added to reflect ownership of BMGS in the projected year.

Construction Expenditures

Construction expenditures for 2009 are based on the capital budget approved in December 2008, adjusted for slower growth, and stated net of forecasted CIAC.

Interest Rate Assumptions

The interest rate on temporary investments is forecasted at 0.301% in 2009.
The interest rate on short-term borrowing is forecasted at 1.601% in 2009.

Capital Structure Changes

The balance of common equity is forecasted to grow in 2009 due to continued retention of earnings (no dividend is assumed).
Financing of BMGS is assumed to use the same mix of capital and component costs as reflected in the company's requested weighted average cost of capital.
External financing needs are assumed to be met with borrowings under the UNS Electric revolving credit facility.

BMGS Schedule G

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008SCHEDULE G-1
SUMMARY AT PRESENT RATES
PAGE 1 OF 1

SUMMARY AT PRESENT RATES

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 DEVELOPMENT OF RATE BASE								
2 ELECTRIC PLANT IN SERVICE		\$601,775,731	\$330,877,172	\$41,375,652	\$155,593,221	\$59,070,260	\$8,203,850	\$6,655,577
3 RESERVE FOR DEPRECIATION		257,176,488	142,335,442	17,953,328	65,635,510	24,423,806	3,786,329	3,042,073
4 DEFERRED TAXES & TAX CREDITS		(3,012,192)	(1,772,112)	(241,436)	(657,304)	(246,944)	(33,520)	(60,875)
5 WORKING CAPITAL		(13,639,723)	(7,392,067)	(2,223,259)	(2,305,977)	(1,041,526)	(520,617)	(156,277)
6								
7 TOTAL RATE BASE		\$327,947,328	\$179,377,550	\$20,957,628	\$86,994,430	\$33,357,983	\$3,863,384	\$3,396,352
8								
9 DEVELOPMENT OF RETURN								
10 SALES OF ELECTRICITY		\$159,280,447	\$80,442,482	\$10,569,832	\$48,286,092	\$16,938,518	\$2,481,085	\$562,438
11 SALES FOR RESALE		(0)	(0)	(0)	(0)	(0)	(0)	(0)
12 OTHER OPERATING REVENUE		1,645,619	1,269,510	183,877	129,035	53,938	7,569	1,691
13 TOTAL OPERATING REVENUE		160,926,065	81,711,991	10,753,709	48,415,127	16,992,456	2,488,654	564,129
14								
15 OPERATING EXPENSES								
16 OPERATION & MAINTENANCE		120,926,865	62,135,737	7,528,562	33,282,225	15,090,609	2,112,172	777,561
17 DEPRECIATION & AMORT EXPENSE		15,884,718	8,757,061	1,097,439	4,098,190	1,546,623	216,614	168,791
18 TAXES OTHER THAN INCOME TAX		4,256,354	2,358,777	298,128	1,081,091	410,101	56,793	51,465
19 STATE & FEDERAL INCOME TAX		4,201,088	2,309,904	288,850	1,086,220	412,378	57,272	46,464
20 TOTAL OPERATING EXPENSES		145,269,026	75,561,479	9,212,979	39,547,726	17,459,711	2,442,851	1,044,281
21								
22 OPERATING INCOME		\$15,657,039	\$6,150,513	\$1,540,730	\$8,867,401	(\$467,255)	\$45,803	(\$480,152)
23								
24 RATE OF RETURN		4.77%	3.43%	7.35%	10.19%	-1.40%	1.19%	-14.14%
25								
26 INDEX RATE OF RETURN		1.00	0.72	1.54	2.14	-0.29	0.25	-2.96
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SUMMARY AT PROPOSED RATES

1 DEVELOPMENT OF RETURN AT EQUALIZED RATE LEVELS

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
3 RATE BASE		\$327,947,328	\$179,377,550	\$20,957,628	\$86,994,430	\$33,357,983	\$3,863,384	\$3,396,352
4 RETURN		\$23,907,360	\$13,076,623	\$1,527,811	\$6,341,894	\$2,431,797	\$281,641	\$247,594
5 RATE OF RETURN		7.29%	7.29%	7.29%	7.29%	7.29%	7.29%	7.29%
6								
7 OPERATION & MAINTENANCE EXPENSE		120,926,865	62,135,737	7,528,562	33,282,225	15,090,809	2,112,172	777,561
8 DEPRECIATION & AMORT EXPENSE		15,884,718	8,757,061	1,097,439	4,098,190	1,546,623	216,614	168,791
9 TAXES OTHER THAN INCOME TAX		4,256,354	2,358,777	298,128	1,081,091	410,101	56,793	51,465
10 STATE & FEDERAL INCOME TAX		9,450,767	6,716,988	280,629	(520,760)	2,257,045	207,336	509,528
11 TOTAL OPERATING EXPENSES		150,518,704	79,968,563	9,204,758	37,940,746	19,304,378	2,592,914	1,507,345
12								
13 TOTAL COST OF SERVICE		\$174,426,065	\$93,045,187	\$10,732,569	\$44,282,640	\$21,736,175	\$2,874,555	\$1,754,939
14 LESS:								
15 SALES FOR RESALE		(0)	(0)	(0)	(0)	(0)	(0)	(0)
16 OTHER OPERATING REVENUES		1,645,619	1,269,510	183,877	129,035	53,938	7,569	1,691
17 EQUALS:								
18 PROPOSED BASE RATE SALES OF ELECTRICITY		\$172,780,446	\$91,775,677	\$10,548,693	\$44,153,605	\$21,682,237	\$2,866,986	\$1,753,248
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SUMMARY OF PROPOSED RATES

1	DEVELOPMENT OF RETURN AT PROPOSED RATE LEVELS								
2									
3	SALES OF ELECTRICITY	\$172,780,444	\$86,680,495	\$11,543,449	\$52,733,859	\$18,498,772	\$2,709,624	\$614,248	
4	SALES FOR RESALE	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
5	OTHER OPERATING REVENUE	1,645,619	1,269,510	183,877	129,035	53,938	7,569	1,691	
6	TOTAL OPERATING REVENUE	174,426,063	87,950,005	11,727,325	52,862,894	18,552,710	2,717,193	615,939	
7									
8	OPERATION & MAINTENANCE EXPENSE	120,926,865	62,135,737	7,528,562	33,282,225	15,090,609	2,112,172	777,561	
9	DEPRECIATION & AMORT EXPENSE	15,884,718	8,757,061	1,097,439	4,098,190	1,546,623	216,614	168,791	
10	TAXES OTHER THAN INCOME TAX	4,256,354	2,358,777	298,128	1,081,091	410,101	56,793	51,465	
11	STATE & FEDERAL INCOME TAX	9,450,767	6,716,988	280,629	(520,760)	2,257,045	207,336	509,528	
12	TOTAL OPERATING EXPENSES	150,518,704	79,968,563	9,204,758	37,940,746	19,304,378	2,592,914	1,507,345	
13									
14	RETURN AT PROPOSED RATES	\$23,907,358	\$7,981,442	\$2,522,567	\$14,922,149	(\$751,668)	\$124,279	(\$891,407)	
15									
16	RATE OF RETURN	7.29%	4.45%	12.04%	17.15%	-2.25%	3.22%	-26.25%	
17	INDEX RATE OF RETURN	1.00	0.61	1.65	2.35	(0.31)	0.44	(3.60)	
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DEVELOPMENT OF RATE BASE									
ELECTRIC PLANT IN SERVICE									
ALOC	TOTAL	RESIDENTIAL	SGS	LGS	LPS	INTERRUPTIBLE	STREET LIGHTING		
	1	2	3	4	5	6	7		
1 INTANGIBLE PLANT									
2 302-FRANCHISES & CONSENTS									
3 303-MISCELLANEOUS INTANG PLT									
4 302-FRANCH & CONSENTS - ACQ ADJ									
5 303-MISC INTANGIBLE PLT - ACQ ADJ									
6 TOTAL INTANGIBLE PLANT									
7									
8									
9 TOTAL OTHER PRODUCTION PLANT									
0 340-LAND & LAND RIGHTS									
1 341-STRUCTURES & IMPROVE									
2 342-FUEL HOLDERS, PROD, & ACC									
3 343-PRIME MOVERS									
4 344-GENERATORS									
5 345-ACCESSORY ELECT EQUIP									
6 346-MISC POWER PLANT EQUIP									
7 340-LAND & LAND RIGHTS - ACQ ADJ									
8 341-STRUCT & IMPROVE - ACQ ADJ									
9 342-FUEL HLD, PROD, & ACC - ACQ ADJ									
0 343-PRIME MOVERS - ACQ ADJ									
1 344-GENERATORS - ACQ ADJ									
2 345-ACCESS ELECT EQUIP - ACQ ADJ									
3 346-MISC POWER PLT EQUIP - ACQ ADJ									
4 TOTAL OTHER PRODUCTION PLANT									
5 TOTAL PRODUCTION PLANT									

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-3
DEVELOPMENT OF RATE BASE
PAGE 2 OF 6

ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
ELECTRIC PLANT IN SERVICE CONTINUED							
1 TRANSMISSION PLANT							
2 350-LAND	\$1,431,088	\$735,031	\$83,615	\$416,984	\$175,924	\$17,098	\$2,435
3 352-STRUCTURES & IMPROVE	660,559	339,274	38,595	192,471	81,203	7,892	1,124
4 353-STATION EQUIPMENT	34,660,745	17,802,344	2,025,146	10,099,304	4,260,855	414,113	58,982
5 354-TOWERS & FIXTURES	1,319,681	677,810	77,106	384,523	162,229	15,767	2,246
6 355-POLES & FIXTURES	29,873,421	15,343,494	1,745,434	8,704,394	3,672,348	356,916	50,835
7 356-OVHD COND. & DEVICES	27,366,793	14,056,047	1,598,978	7,974,023	3,364,207	326,968	46,570
8 358-UNDERGROUND CONDUCTORS & DEV	32,861	16,878	1,920	9,575	4,040	393	56
8 359-ROADS & TRAILS	379,610	194,974	22,180	110,609	46,666	4,535	646
9 350-LAND - ACQ ADJ	(631,356)	(324,275)	(36,889)	(183,962)	(77,613)	(7,543)	(1,074)
10 352-STRUCT & IMPROVE - ACQ ADJ	(39,618)	(20,349)	(2,315)	(11,544)	(4,870)	(473)	(67)
11 353-STATION EQUIPMENT - ACQ ADJ	(7,636,820)	(3,922,400)	(446,202)	(2,225,185)	(938,796)	(91,242)	(12,996)
12 354-TOWERS & FIXTURES - ACQ ADJ	(422,919)	(217,218)	(24,710)	(123,228)	(51,990)	(5,053)	(720)
13 355-POLES & FIXTURES - ACQ ADJ	(3,225,104)	(1,656,468)	(188,435)	(939,717)	(396,463)	(38,532)	(5,488)
14 356-OVHD COND. & DEVICES - ACQ ADJ	(5,494,105)	(2,821,865)	(321,008)	(1,600,850)	(675,392)	(65,641)	(9,349)
15 359-ROADS & TRAILS - ACQ ADJ	(110,880)	(56,950)	(6,478)	(32,308)	(13,630)	(1,325)	(189)
16 TOTAL TRANSMISSION PLANT	\$78,163,957	\$40,146,329	\$4,566,937	\$22,775,090	\$9,608,717	\$933,872	\$133,011
17							
18 DISTRIBUTION PLANT							
19 360-LAND & LAND RIGHTS	\$1,354,701	\$762,541	\$97,196	\$343,181	\$123,940	\$24,249	\$3,595
20 361-STRUCTURES & IMPROV	7,100,486	3,996,757	509,439	1,798,739	649,613	127,097	18,841
21 362-STATION EQUIPMENT	60,306,987	33,945,898	4,326,850	15,277,342	5,517,394	1,079,477	160,025
22 364-POLES, TOWERS & FIXTURES	117,897,983	66,363,006	8,458,836	29,866,653	10,786,306	2,110,339	312,844
23 365-OVERHEAD CONDUCT & DEV	95,499,476	53,755,222	6,851,808	24,192,523	8,737,101	1,709,412	253,409
24 366-UNDERGROUND CONDUIT	19,991,384	11,488,986	1,464,422	5,170,615	1,867,361	0	0
25 367-UNDERGROUND CONDUCTORS	55,428,668	31,854,682	4,060,297	14,336,191	5,177,498	0	0
26 368-LINE TRANSFORMERS	95,508,942	53,760,551	6,852,487	24,194,921	8,737,967	1,709,582	253,434
27 369-SERVICES	17,960,238	10,109,548	1,288,595	4,549,800	1,643,155	321,483	47,658
28 370-METERS	10,899,944	8,730,643	1,477,663	673,870	6,370	11,399	0
29 371-INSTALLATIONS CUST PREM	0	0	0	0	0	0	0
30 373-STREET LTG & SIGNAL SYS	6,304,998	0	0	0	0	0	6,304,998
31 360-LAND & LAND RIGHTS - ACQ ADJ	(577,074)	(324,826)	(41,403)	(146,188)	(52,796)	(10,329)	(1,531)
32 361-STRUCTURES & IMPROVE - ACQ ADJ	(1,515,959)	(853,310)	(108,766)	(384,032)	(138,693)	(27,135)	(4,023)
33 362-STATION EQUIPMENT - ACQ ADJ	(10,619,807)	(5,977,730)	(761,940)	(2,690,276)	(971,590)	(190,091)	(28,180)
34 364-POLES, TOWERS & FIXT - ACQ ADJ	(23,602,225)	(13,285,338)	(1,693,391)	(5,979,063)	(2,159,332)	(422,473)	(62,629)
35 365-OVERHEAD COND & DEV - ACQ ADJ	(15,967,886)	(8,988,084)	(1,145,649)	(4,045,085)	(1,460,878)	(285,820)	(42,371)
36 366-UNDERGRND CONDUIT - ACQ ADJ	(4,228,884)	(2,430,326)	(309,777)	(1,093,768)	(395,013)	0	0
37 367-UNDERGRND CONDUCT - ACQ ADJ	(5,695,660)	(3,273,278)	(417,222)	(1,473,138)	(532,022)	0	0
38 368-LINE TRANSFORMERS - ACQ ADJ	(11,607,603)	(6,533,746)	(832,812)	(2,940,510)	(1,061,962)	(207,773)	(30,801)
39 369-SERVICES - ACQ ADJ	(4,069,080)	(2,290,424)	(291,945)	(1,030,805)	(372,274)	(72,835)	(10,797)
40 370-METERS - ACQ ADJ	(2,869,304)	(2,298,257)	(388,980)	(177,390)	(1,677)	(3,001)	0
41 373-ST LTG & SIGNAL SYS - ACQ ADJ	(1,325,336)	0	0	0	0	0	(1,325,336)
42 TOTAL DISTRIBUTION PLANT	\$406,174,990	\$228,512,514	\$29,395,708	\$100,443,582	\$36,100,471	\$5,873,580	\$5,849,136
43							
44 TOTAL PROD, TRANS, & DIST PLT	\$572,824,731	\$314,106,637	\$39,132,663	\$149,001,294	\$56,586,769	\$7,864,645	\$6,132,723
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
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DEVELOPMENT OF RATE BASE
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	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
ELECTRIC PLANT IN SERVICE CONTINUED								
1 GENERAL PLANT								
2 389-LAND & LAND RIGHTS	LABOR	\$45,767	\$26,925	\$3,668	\$9,987	\$3,752	\$509	\$925
3 390-STRUCTURES & IMPROVEMENTS	LABOR	3,852,233	2,266,319	308,768	840,613	315,812	42,868	77,852
4 391-OFFICE FURNITURE & EQUIP	LABOR	2,552,511	1,501,676	204,591	556,995	209,259	28,405	51,585
5 392-TRANSPORTATION EQUIP	LABOR	9,645,647	5,674,661	773,127	2,104,821	790,766	107,338	194,934
6 393-STORES EQUIPMENT	LABOR	109,831	64,615	8,803	23,967	9,004	1,222	2,220
7 394-TOOLS, SHOP, & GARAGE EQUIP	LABOR	3,258,333	1,916,920	261,165	711,016	267,123	36,259	65,850
8 395-LABORATORY EQUIPMENT	LABOR	1,428,110	840,176	114,467	311,634	117,079	15,892	28,861
9 396-POWER OPERATED EQUIP	LABOR	2,058,023	1,210,762	164,957	449,091	168,720	22,902	41,592
10 397-COMMUNICATION EQUIPMENT	LABOR	2,186,070	1,286,094	175,220	477,032	179,218	24,327	44,180
11 398-MISCELLANEOUS EQUIPMENT	LABOR	166,294	97,833	13,329	36,288	13,633	1,851	3,361
12 399-OTHER TANGIBLE PROPERTY	LABOR	0	0	0	0	0	0	0
13 389-LAND & LAND RIGHTS - ACQ ADJ	LABOR	(28,497)	(16,765)	(2,284)	(6,218)	(2,336)	(317)	(576)
14 390-STRUCTURES & IMPROV - ACQ ADJ	LABOR	(681,411)	(400,883)	(54,617)	(148,694)	(55,863)	(7,583)	(13,771)
15 391-OFFICE FURNITURE & EQ - ACQ ADJ	LABOR	(628,090)	(369,513)	(50,343)	(137,058)	(51,492)	(6,989)	(12,693)
16 392-TRANSPORTATION EQUIP - ACQ ADJ	LABOR	116,146	66,330	9,309	25,345	9,522	1,292	2,347
17 393-STORES EQUIPMENT - ACQ ADJ	LABOR	(44,769)	(26,338)	(3,588)	(9,769)	(3,670)	(498)	(905)
18 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	LABOR	(825,457)	(485,627)	(66,163)	(180,127)	(67,672)	(9,186)	(16,682)
19 395-LABORATORY EQUIP - ACQ ADJ	LABOR	(300,794)	(176,961)	(24,110)	(65,638)	(24,660)	(3,347)	(6,079)
20 396-POWER OPER EQUIP - ACQ ADJ	LABOR	(144,474)	(84,996)	(11,580)	(31,526)	(11,844)	(1,608)	(2,920)
21 397-COMMUNICATION EQUIP - ACQ ADJ	LABOR	(344,154)	(202,471)	(27,585)	(75,100)	(28,214)	(3,830)	(6,955)
22 398-MISCELLANEOUS EQUIP - ACQ ADJ	LABOR	(18,831)	(11,079)	(1,509)	(4,109)	(1,544)	(210)	(381)
23 TOTAL GENERAL PLANT		\$22,402,487	\$13,179,678	\$1,795,625	\$4,888,549	\$1,836,593	\$249,297	\$452,745
24								
25								
26 COMMON PLANT	LABOR	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27								
28								
29 TOTAL PLANT IN SERVICE		\$601,775,731	\$330,877,172	\$41,375,652	\$155,593,221	\$59,070,260	\$8,203,850	\$6,655,577
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
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SCHEDULE G-3
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	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
ELECTRIC PLANT IN SERVICE CONTINUED								
1 LESS: RESERVE FOR DEPRECIATION								
2								
3 INTANGIBLE PLANT RESERVE								
4 302-FRANCH & CONSENTS	PISXGENL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 303-MISC. INTANG PLT	PISXGENL	2,877,462	1,577,847	196,575	748,476	284,252	39,506	30,806
6 302-FRANCH & CONSENTS - ACQ ADJ	PISXGENL	(135)	(74)	(9)	(35)	(13)	(2)	(1)
7 303-MISC. INTANG PLT - ACQ ADJ	PISXGENL	(346,772)	(190,151)	(23,690)	(90,201)	(34,256)	(4,761)	(3,713)
8 TOTAL INTANGIBLE PLANT RESERVE		\$2,530,555	\$1,387,622	\$172,875	\$658,240	\$249,982	\$34,743	\$27,092
9								
10 PRODUCTION PLANT RESERVE								
11 340-LAND & LAND RIGHTS	PRODPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE	PRODPIS	498,164	255,865	29,107	145,153	61,239	5,952	848
13 342-FUEL HLD, PROD, & ACC	PRODPIS	216,270	111,080	12,636	63,016	26,586	2,584	368
14 343-PRIME MOVERS	PRODPIS	5,051,791	2,594,685	295,164	1,471,970	621,018	60,357	8,597
15 344-GENERATORS	PRODPIS	1,282,750	658,842	74,948	373,762	157,889	15,326	2,183
16 345-ACCESSORY ELECT EQ	PRODPIS	1,218,641	625,915	71,202	355,083	149,808	14,560	2,074
17 346-MISC POWER PLT EQUIP	PRODPIS	308,120	158,255	18,003	89,779	37,877	3,681	524
18 340-LAND & LAND RIGHTS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ	PRODPIS	(14,139)	(7,262)	(826)	(4,120)	(1,738)	(169)	(24)
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ	PRODPIS	(39,375)	(20,224)	(2,301)	(11,473)	(4,840)	(470)	(67)
21 343-PRIME MOVERS - ACQ ADJ	PRODPIS	(492,580)	(252,997)	(28,780)	(143,526)	(60,553)	(5,885)	(838)
22 344-GENERATORS - ACQ ADJ	PRODPIS	(55,998)	(28,762)	(3,272)	(16,317)	(6,884)	(669)	(95)
23 345-ACCESSORY ELECT EQ - ACQ ADJ	PRODPIS	(113,453)	(58,271)	(6,629)	(33,057)	(13,947)	(1,355)	(193)
24 346-MISC POWER PLT EQUIP - ACQ ADJ	PRODPIS	(24,779)	(12,727)	(1,448)	(7,220)	(3,046)	(296)	(42)
25 TOTAL PRODUCTION PLANT RESERVE		\$7,835,413	\$4,024,400	\$457,805	\$2,283,050	\$963,209	\$93,614	\$13,333
26								
27 TRANSMISSION PLANT RESERVE								
28 350-LAND	TRANPIS	\$130,588	\$67,072	\$7,630	\$38,050	\$16,053	\$1,560	\$222
29 352-STRUCTURES & IMPROV.	TRANPIS	243,686	125,161	14,238	71,004	29,956	2,911	415
30 353-STATION EQUIPMENT	TRANPIS	11,911,817	6,118,110	695,980	3,470,816	1,464,323	142,318	20,270
31 354-TOWERS & FIXTURES	TRANPIS	432,787	222,287	25,287	126,104	53,203	5,171	736
32 355-POLES & FIXTURES	TRANPIS	13,216,631	6,788,285	772,217	3,851,007	1,624,724	157,907	22,491
33 356-OVHD COND. & DEVICES	TRANPIS	9,601,308	4,931,394	560,982	2,797,589	1,180,291	114,713	16,339
34 358-UNDERGROUND CONDUCTORS & DEV	TRANPIS	3,005	1,543	176	875	369	36	5
35 359-ROADS & TRAILS	TRANPIS	133,202	68,415	7,783	38,812	16,375	1,591	227
36 350-LAND - ACQ ADJ	TRANPIS	(2,015)	(1,035)	(118)	(587)	(248)	(24)	(3)
37 352-STRUCTURES & IMPROV. - ACQ ADJ	TRANPIS	(7,905)	(4,060)	(462)	(2,303)	(972)	(94)	(13)
38 353-STATION EQUIPMENT - ACQ ADJ	TRANPIS	(1,212,474)	(622,747)	(70,842)	(353,286)	(149,050)	(14,486)	(2,063)
39 354-TOWERS & FIXTURES - ACQ ADJ	TRANPIS	(100,145)	(51,436)	(5,851)	(29,180)	(12,311)	(1,196)	(170)
40 355-POLES & FIXTURES - ACQ ADJ	TRANPIS	(978,985)	(502,823)	(57,200)	(285,253)	(120,347)	(11,697)	(1,666)
41 356-OVHD COND. & DEVICES - ACQ ADJ	TRANPIS	(801,106)	(411,461)	(46,807)	(233,423)	(98,480)	(9,571)	(1,363)
42 359-ROADS & TRAILS - ACQ ADJ	TRANPIS	(12,022)	(6,175)	(702)	(3,503)	(1,478)	(144)	(20)
43 TOTAL TRANSMISSION PLANT RESERVE		\$32,558,373	\$16,722,530	\$1,902,310	\$9,486,724	\$4,002,410	\$388,995	\$55,404
44								
45								

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ELECTRIC PLANT IN SERVICE CONTINUED

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 DISTRIBUTION PLANT RESERVE								
2 360-LAND & LAND RIGHTS	PLT360	\$39,431	\$22,195	\$2,829	\$9,989	\$3,607	\$706	\$105
3 361-STRUCTURES & IMPROV	PLT361	1,604,690	903,256	115,132	406,510	146,811	28,723	4,258
4 362-STATION EQUIPMENT	PLT362	29,319,311	16,503,400	2,103,575	7,427,351	2,682,379	524,807	77,799
5 364-POLES, TOWERS & FIXTURES	PLT364	64,768,141	36,457,015	4,646,925	16,407,470	5,925,538	1,159,331	171,863
6 365-OVHD CONDUCTORS & DEVICES	PLT365	47,778,302	26,893,689	3,427,954	12,103,498	4,371,164	855,217	126,780
7 366-UDGR CONDUCTORS & DEVICES	PLT366	7,432,398	4,271,376	544,443	1,922,332	694,248	0	0
8 367-UDGR CONDUIT	PLT367	19,653,085	11,294,567	1,439,641	5,083,117	1,835,762	0	0
9 368-LINE TRANSFORMER	PLT368	41,461,410	23,338,006	2,974,735	10,503,263	3,793,241	742,147	110,018
10 369-SERVICE DROP	PLT369	8,211,453	4,622,104	589,148	2,080,176	751,253	146,983	21,789
11 370-METERS	PLT370	2,120,609	1,698,566	287,483	131,103	1,239	2,218	0
12 371-INSTAL ON CUST. PREMISE	PLT371	0	0	0	0	0	0	0
13 373-STREET LIGHTS	PLT373	2,621,600	0	0	0	0	0	2,621,600
14 360-LAND & LAND RIGHTS - ACQ ADJ	PLT360	(507)	(285)	(36)	(128)	(46)	(9)	(1)
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT361	(259,412)	(146,019)	(18,612)	(65,716)	(23,733)	(4,643)	(688)
16 362-STATION EQUIPMENT - ACQ ADJ	PLT362	(2,714,433)	(1,527,914)	(194,753)	(687,637)	(248,339)	(48,588)	(7,203)
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT364	(5,370,117)	(3,022,759)	(385,290)	(1,360,392)	(491,304)	(96,124)	(14,250)
18 365-OVHD COND & DEVICES - ACQ ADJ	PLT365	(3,731,981)	(2,100,676)	(267,759)	(945,409)	(341,433)	(66,801)	(9,903)
19 366-UDGR COND & DEVICES - ACQ ADJ	PLT366	(963,713)	(553,843)	(70,595)	(249,257)	(90,019)	0	0
20 367-UDGR CONDUIT - ACQ ADJ	PLT367	(1,613,992)	(927,556)	(118,229)	(417,446)	(150,760)	0	0
21 368-LINE TRANSFORMER - ACQ ADJ	PLT368	(3,064,870)	(1,725,169)	(219,895)	(776,412)	(280,400)	(54,860)	(8,133)
22 369-SERVICE DROP - ACQ ADJ	PLT369	(916,889)	(516,092)	(65,783)	(232,267)	(83,883)	(16,412)	(2,433)
23 370-METERS - ACQ ADJ	PLT370	(500,406)	(400,815)	(67,838)	(30,937)	(292)	(523)	0
24 373-STREET LIGHTS - ACQ ADJ	PLT373	(321,166)	0	0	0	0	0	(321,166)
25 TOTAL DISTRIBUTION PLANT RESV		\$205,552,964	\$115,083,045	\$14,723,073	\$51,309,207	\$18,495,031	\$3,172,171	\$2,770,435
27 GENERAL PLANT RESERVE								
28 389-LAND & LAND RIGHTS	GENPLIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 390-STRUCT & IMPROVE	GENPLIS	1,062,849	625,288	85,190	231,929	87,134	11,827	21,480
30 391-OFFICE FURN & EQUIP	GENPLIS	1,767,385	1,039,776	141,661	385,669	144,893	19,668	35,718
31 392-TRANSP EQUIP	GENPLIS	3,007,290	1,769,228	241,043	656,234	246,543	33,465	60,776
32 393-STORES EQUIPMENT	GENPLIS	98,986	58,235	7,934	21,600	8,115	1,102	2,000
33 394-TOOLS, SHOP, & GAR EQ	GENPLIS	1,447,195	851,404	115,997	315,799	118,643	16,105	29,247
34 395-LABORATORY EQUIP	GENPLIS	398,707	234,565	31,958	87,004	32,687	4,437	8,058
35 396-POWER OPER EQUIP	GENPLIS	853,822	502,315	68,436	186,316	69,998	9,501	17,255
36 397-COMMUNICATION EQUIP	GENPLIS	632,410	372,055	50,690	138,001	51,846	7,038	12,781
37 398-MISCELLANEOUS EQUIP	GENPLIS	96,323	56,668	7,721	21,019	7,897	1,072	1,947

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ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 GENERAL PLANT RESERVE CONTINUED							
2 389-LAND & LAND RIGHTS - ACQ ADJ	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 390-STRUCT & IMPROVE - ACQ ADJ	(105,216)	(61,900)	(8,433)	(22,960)	(8,626)	(1,171)	(2,126)
4 391-OFFICE FURN & EQUIP - ACQ ADJ	(454,710)	(267,512)	(36,446)	(99,224)	(37,278)	(5,060)	(9,190)
5 392-TRANSP EQUIP - ACQ ADJ	187,860	110,520	15,058	40,994	15,401	2,091	3,797
6 393-STORES EQUIPMENT - ACQ ADJ	(6,430)	(3,783)	(515)	(1,403)	(527)	(72)	(130)
7 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	(136,489)	(80,287)	(10,938)	(29,780)	(11,188)	(1,519)	(2,758)
8 395-LABORATORY EQUIP - ACQ ADJ	(39,240)	(23,085)	(3,145)	(8,563)	(3,217)	(437)	(793)
9 396-POWER OPER EQUIP - ACQ ADJ	(28,962)	(17,039)	(2,321)	(6,320)	(2,374)	(322)	(585)
10 397-COMMUNICATION EQUIP - ACQ ADJ	(77,071)	(45,342)	(6,177)	(16,818)	(6,318)	(858)	(1,558)
11 398-MISCELLANEOUS EQUIP - ACQ ADJ	(5,545)	(3,262)	(444)	(1,210)	(455)	(62)	(112)
12 TOTAL GENERAL PLANT RESERVE	\$8,699,184	\$5,117,844	\$697,265	\$1,898,289	\$713,173	\$96,805	\$175,807
13							
14 TOTAL RESERVE FOR DEPRECIATION	\$257,176,488	\$142,335,442	\$17,953,328	\$65,635,510	\$24,423,806	\$3,786,329	\$3,042,073
15							
16 NET PLANT IN SERVICE	\$344,599,243	\$188,541,729	\$23,422,323	\$89,957,711	\$34,646,454	\$4,417,521	\$3,613,505
17							
18							
19 ADDITIONS & DEDUCTIONS TO RATE BASE							
20							
21 DEFERRED TAXES AND TAX CREDITS							
22 PRODUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 TRANSMISSION	0	0	0	0	0	0	0
24 DISTRIBUTION	0	0	0	0	0	0	0
25 GENERAL	(3,012,192)	(1,772,112)	(241,436)	(657,304)	(246,944)	(33,520)	(60,875)
26 TOTAL DEF. TAXES AND TAX CREDITS	(\$3,012,192)	(\$1,772,112)	(\$241,436)	(\$657,304)	(\$246,944)	(\$33,520)	(\$60,875)
27							
28 WORKING CAPITAL							
29 CASH WORKING CAPITAL	(\$3,390,766)	(\$1,864,361)	(\$233,135)	(\$876,706)	(\$332,837)	(\$46,225)	(\$37,502)
30 MATERIALS & SUPPLIES	8,261,763	4,542,604	568,045	2,136,135	810,974	112,630	91,374
31 FUEL RELATED	0	0	0	0	0	0	0
32 PREPAYMENTS	634,351	348,788	43,615	164,016	62,268	8,648	7,016
33 TOTAL CASH WORKING CAPITAL	\$5,505,348	\$3,027,031	\$378,525	\$1,423,445	\$540,405	\$75,053	\$60,889
34 CIAC & AMORT	0	0	0	0	0	0	0
35 CUSTOMER ADVANCES	(15,080,400)	(8,484,176)	(1,091,399)	(3,729,253)	(1,340,333)	(218,073)	(217,166)
36 CUSTOMER DEPOSITS	(4,064,671)	(1,934,922)	(1,510,385)	(169)	(241,599)	(377,597)	0
37 TOTAL CASH WORKING CAPITAL	(\$13,639,723)	(\$7,392,067)	(\$2,223,259)	(\$2,305,977)	(\$1,041,526)	(\$520,617)	(\$156,277)
38							
39 TOTAL RATE BASE	\$327,947,328	\$179,377,550	\$20,957,628	\$86,994,430	\$33,357,983	\$3,863,384	\$3,396,352
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OPERATING REVENUES

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 SALES REVENUES								
2 SALES OF ELECTRICITY		\$159,280,447	\$80,442,482	\$10,569,832	\$48,286,092	\$16,938,518	\$2,481,085	\$562,438
3 SALES FOR RESALE		(0)	(0)	(0)	(0)	(0)	(0)	(0)
4 TOTAL SALES REVENUE	TOTPIS	159,280,446	80,442,482	10,569,832	48,286,092	16,938,518	2,481,085	562,438
5 OTHER OPERATING REVENUES								
6 450-LATE FEES	SALESREV	0	0	0	0	0	0	0
7 451-MISCELLANEOUS SERVICE REV	SALESREV	1,220,716	1,054,918	155,680	225	8,753	950	191
8 454-RENT FROM ELECT PROPERTY	SALESREV	428,014	216,163	28,403	129,753	45,517	6,667	1,511
9 456-OTHER ELECTRIC REVENUES	SALESREV	(3,111)	(1,571)	(206)	(943)	(331)	(48)	(11)
10 TOTAL OTHER OPERATING REV		1,645,619	1,289,510	183,877	129,035	53,938	7,569	1,691
11								
12								
13 TOTAL OPERATING REVENUES		\$160,926,066	\$81,711,991	\$10,753,709	\$48,415,127	\$16,992,456	\$2,488,654	\$564,129
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 2 OF 11

	ALOC	TOTAL	RESIDENTIAL	SGS	LGS	LPS	INTERRUPTIBLE	STREET
		1	2	3	4	5	6	7
OPERATION & MAINTENANCE EXPENSE								
1 POWER PRODUCTION EXPENSE								
2 OTHER POWER GENERATION								
3 OPERATION								
4 546-SUPERVISION & ENGINEERING	DPROD	\$77,527	\$39,819	\$4,530	\$22,590	\$9,530	\$926	\$132
5 547-FUEL	EFUEL	7,621,714	3,757,105	433,355	2,236,377	1,034,146	146,141	14,589
6 548-GENERATION EXPENSES	PRODPIS	37,023	19,015	2,163	10,787	4,551	442	63
7 549-MISC OTH POWER GEN EXP	PRODPIS	116,207	59,686	6,790	33,860	14,285	1,388	198
8 550-RENTS	PRODPIS	144,000	73,961	8,414	41,958	17,702	1,720	245
9 550.1-OPER SUPPLIES & EXP	PRODPIS	0	0	0	0	0	0	0
10 TOTAL OPERATION EXPENSE		7,996,471	3,949,586	455,252	2,345,573	1,080,215	150,619	15,227
11 MAINTENANCE								
12 551-SUPERVISION & ENGINEER	LAB55254	0	0	0	0	0	0	0
13 552-STRUCTURES	PRODPIS	0	0	0	0	0	0	0
14 553-GENERATING & ELECT PLT	PRODPIS	674,009	346,183	39,381	196,390	82,856	8,053	1,147
15 554-MISC OTH POWER GEN PLT	PRODPIS	106,485	54,693	6,222	31,027	13,090	1,272	181
16 BLANK	PRODPIS	0	0	0	0	0	0	0
17 TOTAL MAINTENANCE EXPENSE		780,494	400,875	45,602	227,417	95,946	9,325	1,328
18 TOT OTH POWER GENERATION EXP		\$8,776,966	\$4,350,461	\$500,854	\$2,572,990	\$1,176,161	\$159,944	\$16,555
19								
20 OTHER POWER SUPPLY EXPENSES								
21 555-PURCHASED POWER	DPROD	0	0	0	0	0	0	0
22 DEMAND CHARGES	EFUEL	84,638,076	41,722,126	4,812,351	24,834,662	11,484,047	1,622,881	162,009
23 ENERGY CHARGES	EFUEL	0	0	0	0	0	0	0
24 ENERGY CHARGES	EFUEL	0	0	0	0	0	0	0
25 OTHER CHARGES	EPROD	0	0	0	0	0	0	0
26 TOTAL PURCHASED POWER		84,638,076	41,722,126	4,812,351	24,834,662	11,484,047	1,622,881	162,009
27 556-SYS CONTRL & LOAD DISP	DPROD	3,220	1,654	188	938	396	38	5
28 557-OTHER EXPENSES	DPROD	224,388	115,255	13,111	65,384	27,585	2,681	382
29 TOTAL OTHER POWER SUPPLY EXP		\$84,865,693	\$41,839,035	\$4,825,650	\$24,900,984	\$11,512,028	\$1,625,600	\$162,397
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40 TOTAL POWER PRODUCTION EXP		\$93,642,659	\$46,189,496	\$5,326,504	\$27,473,974	\$12,688,189	\$1,785,544	\$178,952
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 3 OF 11

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE								
1 TRANSMISSION EXPENSES								
2 OPERATION								
3 560-SUPERVISION & ENGINEER	TRANPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 561-LOAD DISPATCHING	TRANPIS	6,095	3,130	356	1,776	749	73	10
5 562-STATION EXPENSES	TRANPIS	33,073	16,987	1,932	9,637	4,066	395	56
6 563-OVERHEAD LINE EXPENSES	TRANPIS	26,672	13,699	1,558	7,772	3,279	319	45
7 564-UNDERGROUND LINE EXP	TRANPIS	15,619	8,022	913	4,551	1,920	187	27
8 565-TRANSM ELECT BY OTHERS	EFUEL	8,082,997	3,984,493	459,583	2,371,728	1,096,735	154,986	15,472
9 566-MISCELLANEOUS TRNSM EXP	TRANPIS	100,085	51,405	5,848	29,162	12,303	1,196	170
10 567-RENTS	TRANPIS	27,940	14,350	1,632	8,141	3,435	334	48
11 568-TRANSM ELECT BY OTHERS	EFUEL	0	0	0	0	0	0	0
12 TOTAL OPERATION EXPENSE		8,292,481	4,092,088	471,823	2,432,767	1,122,487	157,489	15,828
13 MAINTENANCE								
14 568-SUPERVISION & ENGINEER	LAB56973	0	0	0	0	0	0	0
15 569-STRUCTURES	TRANPIS	0	0	0	0	0	0	0
16 570-STATION EQUIPMENT	TRANPIS	22,997	11,811	1,344	6,701	2,827	275	39
17 571-OVERHEAD LINES	TRANPIS	37,340	19,179	2,182	10,880	4,590	446	64
18 572-MAINT OF UNDRGRND LINES	TRANPIS	23	12	1	7	3	0	0
19 573-MAINT MISC TRANSM PLT	TRANPIS	0	0	0	0	0	0	0
20 TOTAL MAINTENANCE EXPENSE		60,360	31,002	3,527	17,587	7,420	721	103
21 TOTAL TRANSMISSION EXPENSES		\$8,352,841	\$4,123,089	\$475,349	\$2,450,354	\$1,129,907	\$158,210	\$15,931

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 4 OF 11

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED								
1 DISTRIBUTION EXPENSES								
2 OPERATION								
3 580-SUPERVISION & ENGINEER	LAB58189	\$423,430	\$273,693	\$39,837	\$78,992	\$25,311	\$3,177	\$2,419
4 581-LOAD DISPATCHING	DISTPIS	562,583	327,759	42,163	144,068	51,779	8,425	8,369
5 582-STATION EXPENSES	PLTDSUB	74,790	42,098	5,366	18,946	6,842	1,339	198
6 583-OVERHEAD LINE EXPENSES	PLTDOHL	499,849	281,357	35,863	126,625	45,730	8,947	1,326
7 584-UNDERGROUND LINE EXP	PLTDUGL	490,312	281,781	35,917	126,815	45,799	0	0
8 585-STREET LIGHT & SIGNAL	PLT373	1,894	0	0	0	0	0	1,894
9 586-METER EXPENSES	PLT370	778,885	623,872	105,590	48,153	455	815	0
10 587-CUST INSTALLATIONS EXP	DISTPIS	35,827	20,156	2,593	8,860	3,184	518	516
11 588-MISC DISTRIBUTION EXP	DISTPIS	1,097,758	617,595	79,447	271,466	97,568	15,874	15,808
12 589-RENTS	DISTPIS	83,088	46,745	6,013	20,547	7,385	1,202	1,197
13 TOTAL OPERATION EXPENSE		4,068,416	2,515,056	352,789	844,473	284,055	40,296	31,748
14 MAINTENANCE								
15 590-SUPERVISION & ENGINEER	LAB59198	0	0	0	0	0	0	0
16 591-STRUCTURES	PLT361	0	0	0	0	0	0	0
17 592-STATION EQUIPMENT	PLT362	734,286	413,319	52,683	186,014	67,179	13,144	1,948
18 593-OVERHEAD LINES	DISTSUB	763,922	430,000	54,809	193,522	69,890	13,674	2,027
19 594-UNDERGROUND LINES	PLTDUGL	108,736	62,490	7,965	28,124	10,157	0	0
20 595-LINE TRANSFORMERS	PLT368	104,881	59,036	7,525	26,569	9,595	1,877	278
21 596-STREET LIGHT & SIGNAL	PLT373	315,846	0	0	0	0	0	315,846
22 597-METERS	PLT370	614	492	83	38	0	1	0
23 598-MISC DISTRIBUTION PLANT	DISTPIS	15,555	8,751	1,126	3,847	1,383	225	224
24 BLANK	SALESREV	0	0	0	0	0	0	0
25 TOTAL MAINTENANCE EXPENSE		2,043,840	974,088	124,191	438,113	158,204	28,920	320,323
26 TOTAL DISTRIBUTION EXPENSES		\$6,112,256	\$3,489,144	\$476,980	\$1,282,585	\$442,259	\$69,216	\$352,071

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 5 OF 11

ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED							
1 CUSTOMER ACCOUNTS EXPENSES							
2 901-SUPERVISION	\$260,950	\$198,177	\$33,541	\$15,296	\$9,470	\$259	\$4,207
3 902-METER READING EXPENSE	915,625	706,293	119,540	54,515	34,354	922	0
4 903-CUST RECORDS & COLL EXP	3,070,983	2,327,967	394,009	179,683	113,233	3,039	53,063
5 904-UNCOLLECTIBLE ACCOUNTS	764,063	429,859	55,297	188,946	67,909	11,049	11,003
6 905-MISC CUST ACCTS EXP	39,451	31,033	5,252	2,395	23	41	707
7 TOTAL CUSTOMER ACCTS EXPENSE	\$5,051,083	\$3,693,328	\$607,640	\$440,835	\$224,989	\$15,310	\$68,980
8							
9 CUSTOMER SERVICE & INFO EXP							
10 431-CUSTOMER DEPOSIT INTEREST							
11 908-CUSTOMER ASSISTANCE EXP	\$14,499	\$8,157	\$1,049	\$3,585	\$1,289	\$210	\$209
12 909-INFO & INSTRUCT EXP	94,671	75,830	12,834	5,853	55	99	0
13 910-MISC CUST SERV & INFO EX	49,423	39,587	6,700	3,055	29	52	0
14 TOTAL CUST SERVICE & INFO EXP	31,336	25,100	4,248	1,937	18	33	0
15							
16 SALES EXPENSES							
17 911-SUPERVISION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 912-DEMONSTRATING & SELLING	0	0	0	0	0	0	0
19 913-ADVERTISING EXPENSE							
20 SAFETY	0	0	0	0	0	0	0
21 DSM	0	0	0	0	0	0	0
22 ENVIRONMENTAL	0	0	0	0	0	0	0
23 OTHER	0	0	0	0	0	0	0
24 TOTAL ACCOUNT 913	0	0	0	0	0	0	0
25 914-MISCELLANEOUS SALES EXP	0	0	0	0	0	0	0
26 TOTAL SALES EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27							
28 TOTAL OPER & MAINT EXCL A&G	\$113,348,768	\$57,643,732	\$6,911,305	\$31,662,180	\$14,486,735	\$2,028,674	\$616,143

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 6 OF 11

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED								
1 ADMINISTRATIVE & GENERAL EXP								
2 OPERATION								
3 920-ADMIN & GEN SALARIES	LABXAG	\$3,103,362	\$1,851,680	\$256,374	\$650,663	\$242,309	\$33,358	\$68,978
4 921-OFFICE SUPPLIES & EXP	LABXAG	978,916	584,089	80,870	205,243	76,433	10,522	21,758
5 922-ADMIN EXP TRANSF-CREDIT	LABXAG	(1,004,502)	(599,355)	(82,984)	(210,608)	(78,431)	(10,797)	(22,327)
6 923-OUTSIDE SERVICES EMPLOY	LABXAG	1,218,155	726,836	100,634	255,403	95,113	13,094	27,076
7 924-PROPERTY INSURANCE								
8 PRODUCTION RELATED	PRODPIS	0	0	0	0	0	0	0
9 TRANSMISSION RELATED	TRANPIS	0	0	0	0	0	0	0
10 DISTRIBUTION RELATED	DISTPIS	137,277	77,231	9,935	33,947	12,201	1,985	1,977
11 OTHER	TOTPIS	0	0	0	0	0	0	0
12								
13 925-INJURIES & DAMAGES	LABXAG	527,714	314,871	43,595	110,643	41,204	5,672	11,729
14 926-EMPLOYEE PENSNS & BENE	LABXAG	2,068,341	1,234,115	170,869	433,656	161,495	22,232	45,973
15 927-FRANCHISE REQUIREMENTS	TOTPIS	0	0	0	0	0	0	0
16 928-REGULATORY COMMISSION EXP	TOTPIS	197,223	108,440	13,560	50,993	19,359	2,689	2,181
17 929-DUPLICATE CHARGES-CR	TOTPIS	(86,769)	(47,709)	(5,966)	(22,435)	(8,517)	(1,183)	(960)
18 930-GENEAL ADVERTISING EX	TOTPIS	360,936	198,455	24,817	93,323	35,429	4,921	3,992
19 931-RENTS	TOTPIS	57,417	31,570	3,948	14,845	5,636	783	635
20 933-TRANSPORTATION EXPT	TOTPIS	0	0	0	0	0	0	0
21 TOTAL OPERATION EXPENSE		7,558,071	4,480,223	615,652	1,615,675	602,232	83,275	161,013
22 MAINTENANCE								
23 935-MAINT OF GENERAL PLANT	GENLPIS	20,026	11,782	1,605	4,370	1,642	223	405
24 TOTAL ADMIN & GENERAL EXPENSE		7,578,097	4,492,005	617,257	1,620,045	603,874	83,498	161,418
25 PAYROLL EXPENSE ADJUSTMENT	LABXAG	0	0	0	0	0	0	0
26 TOTAL OPERATION & MAINT EXP		120,926,865	62,135,737	7,528,562	33,282,225	15,090,609	2,112,172	777,561

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 7 OF 11

SCHEDULE G-4

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 DEPRECIATION EXPENSE								
2								
3 INTANGIBLE DEPREC EXP	PISXGENL	\$20	\$11	\$1	\$5	\$2	\$0	\$0
4 302-FRANCH & CONSENTS	PISXGENL	1,160,542	636,379	79,283	301,876	114,645	15,934	12,425
5 303-MISC. INTANG PLT	PISXGENL	(153)	(84)	(10)	(40)	(15)	(2)	(2)
6 302-FRANCH & CONSENTS - ACQ ADJ	PISXGENL	(119,427)	(65,487)	(8,159)	(31,065)	(11,798)	(1,640)	(1,279)
7 303-MISC. INTANG PLT - ACQ ADJ								
8 TOTAL INTANGIBLE DEPREC EXPENSE		\$1,040,982	\$570,819	\$71,115	\$270,777	\$102,834	\$14,292	\$11,145
9								
10 PRODUCTION DEPREC EXP								
11 340-LAND & LAND RIGHTS	PRODPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE	PRODPIS	32,914	16,905	1,923	9,590	4,046	393	56
13 342-FUEL HLD, PROD, & ACC	PRODPIS	19,643	10,089	1,148	5,723	2,415	235	33
14 343-PRIME MOVERS	PRODPIS	308,783	158,596	18,041	89,972	37,959	3,689	525
15 344-GENERATORS	PRODPIS	96,843	49,740	5,658	28,218	11,905	1,157	165
16 345-ACCESSORY ELECT EQ	PRODPIS	53,906	27,687	3,150	15,707	6,627	644	92
17 346-MISC POWER PLT EQUIP	PRODPIS	28,904	14,846	1,689	8,422	3,553	345	49
18 340-LAND & LAND RIGHTS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ	PRODPIS	62,280	31,988	3,639	18,147	7,656	744	106
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ	PRODPIS	2,241	1,151	131	653	276	27	4
21 343-PRIME MOVERS - ACQ ADJ	PRODPIS	(74,538)	(38,284)	(4,355)	(21,719)	(9,163)	(891)	(127)
22 344-GENERATORS - ACQ ADJ	PRODPIS	1,008,120	517,788	58,902	293,742	123,929	12,045	1,716
23 345-ACCESSORY ELECT EQ - ACQ ADJ	PRODPIS	195,876	100,605	11,445	57,074	24,079	2,340	333
24 346-MISC POWER PLT EQUIP - ACQ ADJ	PRODPIS	244,160	125,405	14,266	71,142	30,015	2,917	415
25 TOTAL PRODUCTION DEPREC EXPENSE		\$1,979,134	\$1,016,516	\$115,636	\$576,672	\$243,295	\$23,646	\$3,368
26								
27 TRANSMISSION DEPREC EXP								
28 350-LAND	TRANPIS	\$3,823	\$1,964	\$223	\$1,114	\$470	\$46	\$7
29 352-STRUCTURES & IMPROV.	TRANPIS	13,625	6,998	796	3,970	1,675	163	23
30 353-STATION EQUIPMENT	TRANPIS	635,820	326,568	37,149	185,263	78,162	7,597	1,082
31 354-TOWERS & FIXTURES	TRANPIS	22,677	11,647	1,325	6,608	2,788	271	39
32 355-POLES & FIXTURES	TRANPIS	959,507	492,819	56,062	279,577	117,953	11,464	1,633
33 356-OVHD COND. & DEVICES	TRANPIS	369,804	189,938	21,607	107,752	45,460	4,418	629
34 358-UNDERGROUND CONDUCTORS & DEV	TRANPIS	1,121	576	66	327	138	13	2
35 359-ROADS & TRAILS	TRANPIS	3,475	1,785	203	1,013	427	42	6
36 350-LAND - ACQ ADJ	TRANPIS	(1,898)	(975)	(111)	(553)	(233)	(23)	(3)
37 352-STRUCTURES & IMPROV. - ACQ ADJ	TRANPIS	(965)	(496)	(56)	(281)	(119)	(12)	(2)
38 353-STATION EQUIPMENT - ACQ ADJ	TRANPIS	(152,537)	(78,346)	(8,912)	(44,446)	(18,751)	(1,822)	(260)
39 354-TOWERS & FIXTURES - ACQ ADJ	TRANPIS	(9,443)	(4,850)	(552)	(2,751)	(1,161)	(113)	(16)
40 355-POLES & FIXTURES - ACQ ADJ	TRANPIS	(135,224)	(69,453)	(7,901)	(39,401)	(16,623)	(1,616)	(230)
41 356-OVHD COND. & DEVICES - ACQ ADJ	TRANPIS	(84,215)	(43,254)	(4,920)	(24,538)	(10,353)	(1,006)	(143)
42 358-UNDERGROUND DEVICES - ACQ ADJ	TRANPIS	0	0	0	0	0	0	0
43 359-ROADS & TRAILS - ACQ ADJ	TRANPIS	(1,121)	(576)	(66)	(327)	(138)	(13)	(2)
44 TOTAL TRANSMISSION DEPREC EXPENSE		\$1,624,450	\$834,345	\$94,913	\$473,326	\$199,694	\$19,408	\$2,764
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 8 OF 11

	ALOC	TOTAL	RESIDENTIAL	SGS	LGS	LPS	INTERRUPTIBLE	STREET
		1	2	3	4	5	6	7
DEPRECIATION & AMORTIZATION EXPENSE								
1 DISTRIBUTION DEPREC EXPENSE								
2 360-LAND RIGHTS	PLT360	\$1,480	\$833	\$106	\$375	\$135	\$26	\$4
3 361-STRUCTURES & IMPROV	PLT361	175,281	98,663	12,576	44,403	16,036	3,137	465
4 362-STATION EQUIPMENT	PLT362	1,691,289	952,001	121,345	428,448	154,733	30,274	4,488
5 364-POLES, TOWERS & FIXTURES	PLT364	3,293,750	1,854,002	236,317	834,393	301,340	58,957	8,740
6 365-OVERHEAD CONDUIT & DEV	PLT365	2,342,026	1,318,291	168,033	593,297	214,268	41,922	6,215
7 366-UNDERGROUND CONDUIT	PLT366	612,122	351,785	44,840	158,321	57,177	0	0
8 367-UNDERGROUND COND & DEV	PLT367	1,646,348	946,151	120,599	425,815	153,783	0	0
9 368-LINE TRANSFORMERS	PLT368	2,798,122	1,575,021	200,757	708,838	255,996	50,086	7,425
10 369-SERVICES	PLT369	537,690	302,658	38,578	136,211	49,192	9,624	1,427
11 370-METERS	PLT370	255,143	204,365	34,589	15,774	149	267	0
12 371-INSTALLATIONS CUST PREM	PLT371	0	0	0	0	0	0	0
13 373-STRT LGHT & SIGNAL SYS	PLT373	162,199	0	0	0	0	0	162,199
14 360-LAND RIGHTS - ACQ ADJ	PLT360	(477)	(269)	(34)	(121)	(44)	(9)	(1)
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT361	(40,378)	(22,728)	(2,897)	(10,229)	(3,694)	(723)	(107)
16 362-STATION EQUIPMENT - ACQ ADJ	PLT362	(358,189)	(201,619)	(25,699)	(90,739)	(32,770)	(6,411)	(950)
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT364	(799,588)	(450,065)	(57,367)	(202,552)	(73,151)	(14,312)	(2,122)
18 365-OVERHEAD COND & DEV - ACQ ADJ	PLT365	(482,646)	(271,674)	(34,628)	(122,267)	(44,157)	(8,639)	(1,281)
19 366-UNDERGRND CONDUIT - ACQ ADJ	PLT366	(152,216)	(87,478)	(11,150)	(39,370)	(14,218)	0	0
20 367-UNDERGR COND & DEV - ACQ ADJ	PLT367	(225,545)	(129,620)	(16,522)	(58,335)	(21,068)	0	0
21 368-LINE TRANSFORMERS - ACQ ADJ	PLT368	(431,512)	(242,892)	(30,960)	(109,313)	(39,478)	(7,724)	(1,145)
22 369-SERVICES - ACQ ADJ	PLT369	(134,150)	(75,511)	(9,625)	(33,984)	(12,273)	(2,401)	(356)
23 370-METERS - ACQ ADJ	PLT370	(81,914)	(65,612)	(11,105)	(5,064)	(48)	(86)	0
24 373-ST LGHT & SIGNAL SYS - ACQ ADJ	PLT373	(43,073)	0	0	0	0	0	(43,073)
25 TOTAL DISTRIBUTION DEPREC EXPENSE		\$10,765,782	\$6,066,302	\$777,753	\$2,673,901	\$961,910	\$153,988	\$141,927

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 9 OF 11

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LOS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
OPERATION & MAINTENANCE EXPENSE CONTINUED								
1 GENERAL DEPREC EXPENSE	GENLPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 389-LAND & LAND RIGHTS	GENLPIS	76,639	\$45,088	\$6,143	\$16,724	\$6,283	\$853	\$1,549
3 390-STRUCT & IMPROVE	GENLPIS	426,158	\$250,714	\$34,158	\$92,994	\$34,937	\$4,742	\$8,612
4 391-OFFICE FURN & EQUIP	GENLPIS	(68,346)	(\$40,209)	(\$5,478)	(\$14,914)	(\$5,603)	(\$761)	(\$1,381)
5 392-TRANSP EQUIP	GENLPIS	1,657	\$975	\$133	\$362	\$136	\$18	\$33
6 393-STORES EQUIPMENT	GENLPIS	84,270	\$49,577	\$6,755	\$18,389	\$6,909	\$938	\$1,703
7 394-TOOLS, SHOP, & GAR EQ	GENLPIS	33,598	\$19,742	\$2,690	\$7,323	\$2,751	\$373	\$678
8 395-LABORATORY EQUIP	GENLPIS	97,285	\$57,234	\$7,798	\$21,229	\$7,976	\$1,083	\$1,966
9 396-POWER OPER EQUIP	GENLPIS	17,394	\$10,233	\$1,394	\$3,796	\$1,426	\$194	\$352
10 397-COMMUNICATION EQUIP	GENLPIS	8,184	\$4,815	\$656	\$1,786	\$671	\$91	\$165
11 398-MISCELLANEOUS EQUIP	GENLPIS	0	\$0	\$0	\$0	\$0	\$0	\$0
12 389-LAND & LAND RIGHTS - ACQ ADJ	GENLPIS	(14,725)	(\$8,663)	(\$1,180)	(\$3,213)	(\$1,207)	(\$164)	(\$298)
13 390-STRUCT & IMPROVE - ACQ ADJ	GENLPIS	(130,566)	(\$76,814)	(\$10,465)	(\$28,491)	(\$10,704)	(\$1,453)	(\$2,639)
14 391-OFFICE FURN & EQUIP - ACQ ADJ	GENLPIS	0	\$0	\$0	\$0	\$0	\$0	\$0
15 392-TRANSP EQUIP - ACQ ADJ	GENLPIS	(979)	(\$576)	(\$78)	(\$214)	(\$80)	(\$11)	(\$20)
16 393-STORES EQUIPMENT - ACQ ADJ	GENLPIS	(23,740)	(\$13,966)	(\$1,903)	(\$5,180)	(\$1,946)	(\$264)	(\$480)
17 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	GENLPIS	(7,528)	(\$4,429)	(\$603)	(\$1,643)	(\$617)	(\$84)	(\$152)
18 395-LABORATORY EQUIP - ACQ ADJ	GENLPIS	(7,895)	(\$4,644)	(\$633)	(\$1,723)	(\$647)	(\$88)	(\$160)
19 396-POWER OPER EQUIP - ACQ ADJ	GENLPIS	(15,968)	(\$9,394)	(\$1,280)	(\$3,484)	(\$1,309)	(\$178)	(\$323)
20 397-COMMUNICATION EQUIP - ACQ ADJ	GENLPIS	(1,027)	(\$604)	(\$82)	(\$224)	(\$84)	(\$11)	(\$21)
21 398-MISCELLANEOUS EQUIP - ACQ ADJ	GENLPIS	\$474,371	\$279,079	\$38,022	\$103,515	\$38,890	\$5,279	\$9,587
22 TOTAL GENERAL DEPREC EXPENSE		\$15,884,718	\$8,757,061	\$1,097,439	\$4,098,190	\$1,546,623	\$216,614	\$168,791
23								
24 TOTAL DEPREC & AMORT EXPENSE								
25								
26								

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008SCHEDULE G-4
DEVELOPMENT OF OPERATING REVENUES AND EXPENSES
PAGE 10 OF 11

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
27 TAXES OTHER THAN INCOME TAXES								
28								
29 TAXES OTHER THAN INCOME TAXES								
30 PRODUCTION PROPERTY TAX	PRODPIS	\$617,411	\$317,113	\$36,074	\$179,899	\$75,899	\$7,377	\$1,051
31 TRANSMISSION PROPERTY TAX	TRANPIS	437,531	\$224,723	\$25,564	\$127,486	\$53,786	\$5,227	\$745
32 DISTRIBUTION PROPERTY TAX	DISTPIS	2,500,847	\$1,406,967	\$180,991	\$618,438	\$222,273	\$36,164	\$36,014
33 GENERAL PROPERTY TAX	TOTPIS	171,505	\$94,299	\$11,792	\$44,344	\$16,835	\$2,338	\$1,897
34 PAYROLL TAX	LABXAG	445,648	\$265,904	\$36,816	\$93,436	\$34,796	\$4,790	\$9,905
35 MEDICAL AND DENTAL	LABXAG	5,173	\$3,087	\$427	\$1,085	\$404	\$56	\$115
36 REGULATORY & OTHER	LABXAG	78,240	\$46,683	\$6,464	\$16,404	\$6,109	\$841	\$1,739
37 TOTAL TAXES OTHER THAN INCOME		\$4,256,354	\$2,358,777	\$298,128	\$1,081,091	\$410,101	\$56,793	\$51,465
38								
39								
40 TOTAL EXPENSES BEFORE INCOME TAX		\$141,067,938	\$73,251,575	\$8,924,129	\$38,461,506	\$17,047,333	\$2,385,578	\$997,817
41								
42 OPERATING INCOME BEFORE INCOME TAX		\$19,858,128	\$8,460,417	\$1,829,580	\$9,953,621	(\$54,877)	\$103,075	(\$433,688)
43								
44								
45								

[illegible]

UNION ELECTRIC COMPANY RETAIL COST OF SERVICE STUDY FOR THE 12 MONTHS ENDING DECEMBER 31, 2008				DEVELOPMENT OF OPERATING REVENUES AND EXPENSES PAGE 11 OF 11			
DEVELOPMENT OF INCOME TAXES				DEVELOPMENT OF OPERATING REVENUES AND EXPENSES			
DEVELOPMENT OF INCOME TAXES				DEVELOPMENT OF OPERATING REVENUES AND EXPENSES			
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DEVELOPMENT OF INCOME TAXES				DEVELOPMENT OF OPERATING REVENUES AND EXPENSES			
DEVELOPMENT OF INCOME TAXES							

DEVELOPMENT OF RATE BASE

ELECTRIC PLANT IN SERVICE

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 INTANGIBLE PLANT							
2 302-FRANCHISES & CONSENTS PISXGENL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 303-MISCELLANEOUS INTANG PLT PISXGENL	8,741,931	8,331,385	0	410,546	0	1,350,390	0
4 302-FRANCH & CONSENTS - ACQ ADJ PISXGENL	(5,817)	(5,543)	0	(273)	0	(899)	0
5 303-MISC INTANGIBLE PLT - ACQ ADJ PISXGENL	(2,187,601)	(2,084,866)	0	(102,736)	0	(337,925)	0
6 TOTAL INTANGIBLE PLANT	\$6,548,513	\$6,240,976	\$0	\$307,537	\$0	\$1,011,567	\$0
7							
8							
9 TOTAL OTHER PRODUCTION PLANT							
10 340-LAND & LAND RIGHTS DTRAN	\$227,484	\$227,484	\$0	\$0	\$0	\$227,484	\$0
11 341-STRUCTURES & IMPROVE DTRAN	5,347,516	5,347,516	0	0	0	5,347,516	0
12 342-FUEL HOLDERS, PROD, & ACC DTRAN	1,368,179	1,368,179	0	0	0	1,368,179	0
13 343-PRIME MOVERS DTRAN	17,612,927	17,612,927	0	0	0	17,612,927	0
14 344-GENERATORS DTRAN	47,487,333	47,487,333	0	0	0	47,487,333	0
15 345-ACCESSORY ELECT EQUIP DTRAN	12,192,407	12,192,407	0	0	0	12,192,407	0
16 346-MISC POWER PLANT EQUIP DTRAN	11,387,743	11,387,743	0	0	0	11,387,743	0
17 340-LAND & LAND RIGHTS - ACQ ADJ DTRAN	(379,032)	(379,032)	0	0	0	(379,032)	0
18 341-STRUCT & IMPROVE - ACQ ADJ DTRAN	(180,283)	(180,283)	0	0	0	(180,283)	0
19 342-FUEL HLD, PROD, & ACC - ACQ ADJ DTRAN	(300,582)	(300,582)	0	0	0	(300,582)	0
20 343-PRIME MOVERS - ACQ ADJ DTRAN	(3,870,528)	(3,870,528)	0	0	0	(3,870,528)	0
21 344-GENERATORS - ACQ ADJ DTRAN	(1,222,549)	(1,222,549)	0	0	0	(1,222,549)	0
22 345-ACCESS ELECT EQUIP - ACQ ADJ DTRAN	(949,529)	(949,529)	0	0	0	(949,529)	0
23 346-MISC POWER PLT EQUIP - ACQ ADJ DTRAN	(235,301)	(235,301)	0	0	0	(235,301)	0
24 TOTAL OTHER PRODUCTION PLANT	88,485,785	88,485,785	\$0	\$0	\$0	88,485,785	\$0
25 TOTAL PRODUCTION PLANT	\$88,485,785	\$88,485,785	\$0	\$0	\$0	\$88,485,785	\$0
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ELECTRIC PLANT IN SERVICE

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-5
RATE BASE BY FUNCTION
PAGE 3 OF 12

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
ELECTRIC PLANT IN SERVICE CONTINUED							
1 TRANSMISSION PLANT							
2 350-LAND	\$1,431,088	\$1,431,088	\$0	\$0	\$0	\$0	\$0
3 352-STRUCTURES & IMPROVE	660,559	660,559	0	0	0	0	0
4 353-STATION EQUIPMENT	34,660,745	34,660,745	0	0	0	0	0
5 354-TOWERS & FIXTURES	1,319,681	1,319,681	0	0	0	0	0
6 355-POLES & FIXTURES	29,873,421	29,873,421	0	0	0	0	0
7 356-OVHD COND. & DEVICES	27,366,793	27,366,793	0	0	0	0	0
8 358-UNDERGROUND CONDUCTORS & DTRANSUB	32,861	32,861	0	0	0	0	0
9 359-ROADS & TRAILS	379,610	379,610	0	0	0	0	0
10 350-LAND - ACQ ADJ	(631,356)	(631,356)	0	0	0	0	0
11 352-STRUCT & IMPROVE - ACQ ADJ	(39,618)	(39,618)	0	0	0	0	0
12 353-STATION EQUIPMENT - ACQ ADJ	(7,636,820)	(7,636,820)	0	0	0	0	0
13 354-TOWERS & FIXTURES - ACQ ADJ	(422,919)	(422,919)	0	0	0	0	0
14 355-POLES & FIXTURES - ACQ ADJ	(3,225,104)	(3,225,104)	0	0	0	0	0
15 356-OVHD COND. & DEVICES - ACQ ADJ	(5,494,105)	(5,494,105)	0	0	0	0	0
16 359-ROADS & TRAILS - ACQ ADJ	(110,880)	(110,880)	0	0	0	0	0
17 TOTAL TRANSMISSION PLANT	\$78,163,957	\$78,163,957	\$0	\$0	\$0	\$0	\$0
DISTRIBUTION PLANT							
18 360-LAND & LAND RIGHTS	\$1,354,701	\$1,354,701	\$0	\$0	\$0	\$0	\$0
19 361-STRUCTURES & IMPROV	7,100,486	7,100,486	0	0	0	0	0
20 362-STATION EQUIPMENT	60,306,987	60,306,987	0	0	0	0	0
21 364-POLES, TOWERS & FIXTURES	117,897,983	117,897,983	0	0	0	0	0
22 365-OVERHEAD CONDUCT & DEV	95,499,476	95,499,476	0	0	0	0	0
23 366-UNDERGROUND CONDUIT	19,991,384	19,991,384	0	0	0	0	0
24 367-UNDERGROUND CONDUCTORS	55,428,668	55,428,668	0	0	0	0	0
25 368-LINE TRANSFORMERS	95,508,942	95,508,942	0	0	0	0	0
26 369-SERVICES	17,960,238	17,960,238	0	17,960,238	0	0	0
27 370-METERS	10,899,944	10,899,944	0	10,899,944	0	0	0
28 371-INSTALLATIONS CUST PREM	0	0	0	0	0	0	0
29 373-STREET LTG & SIGNAL SYS	6,304,998	6,304,998	0	6,304,998	0	0	0
30 360-LAND & LAND RIGHTS - ACQ ADJ	(577,074)	(577,074)	0	0	0	0	0
31 361-STRUCTURES & IMPROVE - ACQ ADJ	(1,515,959)	(1,515,959)	0	0	0	0	0
32 362-STATION EQUIPMENT - ACQ ADJ	(10,619,807)	(10,619,807)	0	0	0	0	0
33 364-POLES, TOWERS & FIXT - ACQ ADJ	(23,602,225)	(23,602,225)	0	0	0	0	0
34 365-OVERHEAD COND & DEV - ACQ ADJ	(15,967,886)	(15,967,886)	0	0	0	0	0
35 366-UNDERGRND CONDUIT - ACQ ADJ	(4,228,884)	(4,228,884)	0	0	0	0	0
36 367-UNDERGRND CONDUCT - ACQ ADJ	(5,695,660)	(5,695,660)	0	0	0	0	0
37 368-LINE TRANSFORMERS - ACQ ADJ	(11,607,603)	(11,607,603)	0	0	0	0	0
38 369-SERVICES - ACQ ADJ	(4,069,080)	(4,069,080)	0	(4,069,080)	0	0	0
39 370-METERS - ACQ ADJ	(2,869,304)	(2,869,304)	0	(2,869,304)	0	0	0
40 373-ST LTG & SIGNAL SYS - ACQ ADJ	(1,325,336)	(1,325,336)	0	(1,325,336)	0	0	0
41 TOTAL DISTRIBUTION PLANT	\$406,174,990	\$379,273,529	\$0	\$26,901,461	\$0	\$0	\$0
42 TOTAL PROD, TRANS, & DIST PLT	\$572,824,731	\$545,923,271	\$0	\$26,901,461	\$0	\$88,485,785	\$0

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
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SCHEDULE G-5
RATE BASE BY FUNCTION
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ELECTRIC PLANT IN SERVICE CONTINUED

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
1 TRANSMISSION PLANT									
2 350-LAND	\$1,431,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 352-STRUCTURES & IMPROVE	DTRANSUB								
4 353-STATION EQUIPMENT	DTRANSUB								
5 354-TOWERS & FIXTURES	DTRANSUB								
6 355-POLES & FIXTURES	DTRANSUB								
7 356-OVHD COND. & DEVICES	DTRANSUB								
8 358-UNDERGROUND CONDUCTORS & DTRANSUB	DTRANSUB								
9 359-ROADS & TRAILS	DTRANSUB								
10 350-LAND - ACQ ADJ	DTRANSUB								
11 352-STRUCT & IMPROVE - ACQ ADJ	DTRANSUB								
12 353-STATION EQUIPMENT - ACQ ADJ	DTRANSUB								
13 354-TOWERS & FIXTURES - ACQ ADJ	DTRANSUB								
14 355-POLES & FIXTURES - ACQ ADJ	DTRANSUB								
15 356-OVHD COND. & DEVICES - ACQ ADJ	DTRANSUB								
16 359-ROADS & TRAILS - ACQ ADJ	DTRANSUB								
17 TOTAL TRANSMISSION PLANT	\$78,163,957	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 DISTRIBUTION PLANT									
19 360-LAND & LAND RIGHTS	DDISPSUB	\$1,354,701	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 361-STRUCTURES & IMPROV	DDISPSUB	7,100,486	0	0	0	0	0	0	0
21 362-STATION EQUIPMENT	DDISPSUB	60,306,987	0	0	0	0	0	0	0
22 364-POLES, TOWERS & FIXTURES	DDISTPOL	117,897,983	0	0	0	0	0	0	0
23 365-OVERHEAD CONDUCT & DEV	DDISTPOL	95,499,476	0	0	0	0	0	0	0
24 366-UNDERGROUND CONDUIT	DDISTSUL	0	19,991,384	0	0	0	0	0	0
25 367-UNDERGROUND CONDUCTORS	DDISTSUL	0	55,428,668	0	0	0	0	0	0
26 368-LINE TRANSFORMERS	DDISPSUB	95,508,942	0	0	0	0	0	0	0
27 369-SERVICES	DDISTSOS	0	0	17,960,238	0	0	0	0	0
28 370-METERS	CMETERS	0	0	0	10,899,944	0	0	0	0
29 371-INSTALLATIONS CUST PREM	CUST	0	0	0	0	0	0	0	0
30 373-STREET LTG & SIGNAL SYS	CLIGHT	0	0	0	0	0	0	0	6,304,998
31 360-LAND & LAND RIGHTS - ACQ ADJ	DDISPSUB	(577,074)	0	0	0	0	0	0	0
32 361-STRUCTURES & IMPROVE - ACQ ADJ	DDISPSUB	(1,515,959)	0	0	0	0	0	0	0
33 362-STATION EQUIPMENT - ACQ ADJ	DDISPSUB	(10,619,807)	0	0	0	0	0	0	0
34 364-POLES, TOWERS & FIXT - ACQ ADJ	DDISTPOL	(23,602,225)	0	0	0	0	0	0	0
35 365-OVERHEAD COND & DEV - ACQ ADJ	DDISTPOL	(15,967,886)	0	0	0	0	0	0	0
36 366-UNDERGRND CONDUIT - ACQ ADJ	DDISTSUL	0	(4,228,884)	0	0	0	0	0	0
37 367-UNDERGRND CONDUCT - ACQ ADJ	DDISTSUL	0	(5,695,660)	0	0	0	0	0	0
38 368-LINE TRANSFORMERS - ACQ ADJ	DDISPSUB	(11,607,603)	0	0	0	0	0	0	0
39 369-SERVICES - ACQ ADJ	DDISTSOS	0	0	(4,069,080)	0	0	0	0	0
40 370-METERS - ACQ ADJ	CMETERS	0	0	0	(2,869,304)	0	0	0	0
41 373-ST LTG & SIGNAL SYS - ACQ ADJ	CLIGHT	0	0	0	0	0	0	0	(1,325,336)
42 TOTAL DISTRIBUTION PLANT	\$0	\$313,778,021	\$65,495,508	\$13,891,158	\$8,030,640	\$0	\$0	\$0	\$4,979,662
43									
44 TOTAL PROD, TRANS, & DIST PLT	\$78,163,957	\$313,778,021	\$65,495,508	\$13,891,158	\$8,030,640	\$0	\$0	\$0	\$4,979,662

		TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
ELECTRIC PLANT IN SERVICE CONTINUED								
1	GENERAL PLANT							
2	389-LAND & LAND RIGHTS LABOR	\$45,767	\$35,185	\$0	\$10,582	\$1,180	\$3,766	\$0
3	390-STRUCTURES & IMPROVEMENTS LABOR	3,852,233	2,961,555	0	890,677	99,315	316,974	0
4	391-OFFICE FURNITURE & EQUIP LABOR	2,552,511	1,962,343	0	590,168	65,806	210,029	0
5	392-TRANSPORTATION EQUIP LABOR	9,645,647	7,415,471	0	2,230,176	248,675	793,675	0
6	393-STORES EQUIPMENT LABOR	109,831	84,437	0	25,394	2,832	9,037	0
7	394-TOOLS, SHOP, & GARAGE EQUIP LABOR	3,258,333	2,504,972	0	753,361	84,003	288,106	0
8	395-LABORATORY EQUIPMENT LABOR	1,428,110	1,097,916	0	330,194	36,818	117,510	0
9	396-POWER OPERATED EQUIP LABOR	2,058,023	1,582,187	0	475,837	53,058	169,341	0
10	397-COMMUNICATION EQUIPMENT LABOR	2,186,070	1,680,627	0	505,443	56,359	179,877	0
11	398-MISCELLANEOUS EQUIPMENT LABOR	166,294	127,845	0	38,449	4,287	13,683	0
12	399-OTHER TANGIBLE PROPERTY LABOR	0	0	0	0	0	0	0
13	389-LAND & LAND RIGHTS - ACQ ADJ LABOR	(28,497)	(21,908)	0	(6,589)	(735)	(2,345)	0
14	390-STRUCTURES & IMPROV - ACQ ADJ LABOR	(681,411)	(523,862)	0	(157,549)	(17,568)	(56,069)	0
15	391-OFFICE FURNITURE & EQ - ACQ A LABOR	(628,090)	(482,869)	0	(145,221)	(16,193)	(51,681)	0
16	392-TRANSPORTATION EQUIP - ACQ A LABOR	116,146	89,292	0	26,854	2,994	9,557	0
17	393-STORES EQUIPMENT - ACQ ADJ LABOR	(44,769)	(34,418)	0	(10,351)	(1,154)	(3,684)	0
18	394-TOOLS, SHOP, & GAR EQ - ACQ A LABOR	(825,457)	(634,602)	0	(190,854)	(21,281)	(67,921)	0
19	395-LABORATORY EQUIP - ACQ ADJ LABOR	(300,794)	(231,248)	0	(69,547)	(7,755)	(24,750)	0
20	396-POWER OPER EQUIP - ACQ ADJ LABOR	(144,474)	(111,070)	0	(33,404)	(3,725)	(11,888)	0
21	397-COMMUNICATION EQUIP - ACQ A LABOR	(344,154)	(264,582)	0	(79,572)	(8,873)	(28,318)	0
22	398-MISCELLANEOUS EQUIP - ACQ A LABOR	(18,831)	(14,477)	0	(4,354)	(485)	(1,549)	0
23	TOTAL GENERAL PLANT	\$22,402,487	\$17,222,794	\$0	\$5,179,693	\$577,560	\$1,843,349	\$0
24								
25								
26	COMMON PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27								
28								
29	TOTAL PLANT IN SERVICE	\$601,775,731	\$569,387,041	\$0	\$32,388,690	\$577,560	\$91,340,701	\$0
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
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	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
1 GENERAL PLANT									
2 389-LAND & LAND RIGHTS LABOR	\$3,373	\$21,656	\$5,210	\$729	\$2,909	\$359	\$4,856	\$873	\$857
3 390-STRUCTURES & IMPROVEMENTS LABOR	283,927	1,822,822	438,517	61,367	244,841	30,178	408,691	73,455	72,145
4 391-OFFICE FURNITURE & EQUIP LABOR	188,131	1,207,812	290,564	40,662	162,233	19,996	270,801	48,672	47,804
5 392-TRANSPORTATION EQUIP LABOR	710,928	4,564,185	1,098,008	153,657	613,060	75,562	1,023,327	183,925	180,645
6 393-STORES EQUIPMENT LABOR	8,095	51,971	12,503	1,750	6,981	860	11,652	2,094	2,057
7 394-TOOLS, SHOP, & GARAGE EQUIP LABOR	240,154	1,541,798	370,911	51,906	207,094	25,525	345,683	62,131	61,023
8 395-LABORATORY EQUIPMENT LABOR	105,258	675,762	162,568	22,750	90,768	11,187	151,511	27,231	26,746
9 396-POWER OPERATED EQUIP LABOR	151,686	973,828	234,274	32,785	130,804	16,122	218,340	39,243	38,543
10 397-COMMUNICATION EQUIPMENT LABOR	161,123	1,034,418	248,850	34,825	138,943	17,125	231,925	41,684	40,941
11 398-MISCELLANEOUS EQUIPMENT LABOR	12,257	78,688	18,930	2,649	10,569	1,303	17,642	3,171	3,114
12 399-OTHER TANGIBLE PROPERTY LABOR	0	0	0	0	0	0	0	0	0
13 389-LAND & LAND RIGHTS - ACQ ADJ LABOR	(2,100)	(13,484)	(3,244)	(454)	(1,811)	(223)	(3,023)	(543)	(534)
14 390-STRUCTURES & IMPROV - ACQ ADJ LABOR	(50,223)	(322,434)	(77,568)	(10,855)	(43,309)	(5,338)	(72,292)	(12,993)	(12,762)
15 391-OFFICE FURNITURE & EQ - ACQ A LABOR	(46,293)	(297,203)	(71,498)	(10,006)	(39,920)	(4,920)	(66,635)	(11,977)	(11,763)
16 392-TRANSPORTATION EQUIP - ACQ A LABOR	8,560	54,959	13,221	1,850	7,382	910	12,322	2,215	2,175
17 393-STORES EQUIPMENT - ACQ ADJ LABOR	(3,300)	(21,184)	(5,096)	(713)	(2,845)	(351)	(4,750)	(854)	(838)
18 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ LABOR	(60,840)	(390,595)	(93,966)	(13,150)	(52,465)	(6,466)	(87,574)	(15,740)	(15,459)
19 395-LABORATORY EQUIP - ACQ ADJ LABOR	(22,170)	(142,332)	(34,241)	(4,792)	(19,118)	(2,356)	(31,912)	(5,736)	(5,633)
20 396-POWER OPER EQUIP - ACQ ADJ LABOR	(10,648)	(68,363)	(16,446)	(2,302)	(9,183)	(1,132)	(15,328)	(2,755)	(2,706)
21 397-COMMUNICATION EQUIP - ACQ ADJ LABOR	(25,366)	(162,849)	(39,177)	(5,482)	(21,874)	(2,696)	(36,512)	(6,562)	(6,445)
22 398-MISCELLANEOUS EQUIP - ACQ ADJ LABOR	(1,388)	(8,911)	(2,144)	(300)	(1,197)	(148)	(1,998)	(359)	(353)
23 TOTAL GENERAL PLANT	\$1,651,164	\$10,600,543	\$2,550,178	\$356,876	\$1,423,862	\$175,496	\$2,376,727	\$427,175	\$419,557
24									
25									
26 COMMON PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27									
28									
29 TOTAL PLANT IN SERVICE	\$80,708,688	\$327,965,664	\$68,794,428	\$14,406,838	\$9,546,308	\$175,496	\$2,376,727	\$427,175	\$5,456,147
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
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SCHEDULE G-5
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 LESS: RESERVE FOR DEPRECIATION							
2							
3 INTANGIBLE PLANT RESERVE							
4 302-FRANCH & CONSENTS PISXGENL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 303-MISC. INTANG PLT PISXGENL	2,877,462	2,742,329	0	135,134	0	444,489	0
6 302-FRANCH & CONSENTS - ACQ ADJ PISXGENL	(135)	(129)	0	(6)	0	(21)	0
7 303-MISC. INTANG PLT - ACQ ADJ PISXGENL	(346,772)	(330,487)	0	(16,285)	0	(53,567)	0
8 TOTAL INTANGIBLE PLANT RESERVE	\$2,530,555	\$2,411,713	\$0	\$118,842	\$0	\$390,902	\$0
9							
10 PRODUCTION PLANT RESERVE							
11 340-LAND & LAND RIGHTS PRODPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE PRODPIS	498,164	498,164	0	0	0	498,164	0
13 342-FUEL HLD, PROD, & ACC PRODPIS	216,270	216,270	0	0	0	216,270	0
14 343-PRIME MOVERS PRODPIS	5,051,791	5,051,791	0	0	0	5,051,791	0
15 344-GENERATORS PRODPIS	1,282,750	1,282,750	0	0	0	1,282,750	0
16 345-ACCESSORY ELECT EQ PRODPIS	1,218,641	1,218,641	0	0	0	1,218,641	0
17 346-MISC POWER PLT EQUIP PRODPIS	308,120	308,120	0	0	0	308,120	0
18 340-LAND & LAND RIGHTS - ACQ ADJ PRODPIS	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ PRODPIS	(14,139)	(14,139)	0	0	0	(14,139)	0
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ PRODPIS	(39,375)	(39,375)	0	0	0	(39,375)	0
21 343-PRIME MOVERS - ACQ ADJ PRODPIS	(492,580)	(492,580)	0	0	0	(492,580)	0
22 344-GENERATORS - ACQ ADJ PRODPIS	(55,998)	(55,998)	0	0	0	(55,998)	0
23 345-ACCESSORY ELECT EQ - ACQ ADJ PRODPIS	(113,453)	(113,453)	0	0	0	(113,453)	0
24 346-MISC POWER PLT EQUIP - ACQ ADJ PRODPIS	(24,779)	(24,779)	0	0	0	(24,779)	0
25 TOTAL PRODUCTION PLANT RESERVE	\$7,835,413	\$7,835,413	\$0	\$0	\$0	\$7,835,413	\$0
26							
27 TRANSMISSION PLANT RESERVE							
28 350-LAND TRANPIS	\$130,588	\$130,588	\$0	\$0	\$0	\$0	\$0
29 352-STRUCTURES & IMPROV. TRANPIS	243,686	243,686	0	0	0	0	0
30 353-STATION EQUIPMENT TRANPIS	11,911,817	11,911,817	0	0	0	0	0
31 354-TOWERS & FIXTURES TRANPIS	432,787	432,787	0	0	0	0	0
32 355-POLES & FIXTURES TRANPIS	13,216,631	13,216,631	0	0	0	0	0
33 356-OVHD COND. & DEVICES TRANPIS	9,601,308	9,601,308	0	0	0	0	0
34 358-UNDERGROUND CONDUCTORS & TRANPIS	3,005	3,005	0	0	0	0	0
35 359-ROADS & TRAILS TRANPIS	133,202	133,202	0	0	0	0	0
36 350-LAND - ACQ ADJ TRANPIS	(2,015)	(2,015)	0	0	0	0	0
37 352-STRUCTURES & IMPROV. - ACQ ADJ TRANPIS	(7,905)	(7,905)	0	0	0	0	0
38 353-STATION EQUIPMENT - ACQ ADJ TRANPIS	(1,212,474)	(1,212,474)	0	0	0	0	0
39 354-TOWERS & FIXTURES - ACQ ADJ TRANPIS	(100,145)	(100,145)	0	0	0	0	0
40 355-POLES & FIXTURES - ACQ ADJ TRANPIS	(978,985)	(978,985)	0	0	0	0	0
41 356-OVHD COND. & DEVICES - ACQ ADJ TRANPIS	(801,106)	(801,106)	0	0	0	0	0
42 359-ROADS & TRAILS - ACQ ADJ TRANPIS	(12,022)	(12,022)	0	0	0	0	0
43 TOTAL TRANSMISSION PLANT RESERVE	\$32,558,373	\$32,558,373	\$0	\$0	\$0	\$0	\$0

BLACK MOUNTAIN GENERATING STATION

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ELECTRIC PLANT IN SERVICE CONTINUED

1 LESS: RESERVE FOR DEPRECIATION

2
3 INTANGIBLE PLANT RESERVE
4 302-FRANCH & CONSENTS PISXGENL
5 303-MISC. INTANG PLT PISXGENL
6 302-FRANCH & CONSENTS - ACQ ADJ PISXGENL
7 303-MISC. INTANG PLT - ACQ ADJ PISXGENL
8 TOTAL INTANGIBLE PLANT RESERVE

9
10 PRODUCTION PLANT RESERVE
11 340-LAND & LAND RIGHTS PRODPIS
12 341-STRUCT & IMPROVE PRODPIS
13 342-FUEL HLD, PROD, & ACC PRODPIS
14 343-PRIME MOVERS PRODPIS
15 344-GENERATORS PRODPIS
16 345-ACCESSORY ELECT EQ PRODPIS
17 346-MISC POWER PLT EQUIP PRODPIS
18 340-LAND & LAND RIGHTS - ACQ ADJ PRODPIS
19 341-STRUCT & IMPROVE - ACQ ADJ PRODPIS
20 342-FUEL HLD, PROD, & ACC - ACQ ADJ PRODPIS
21 343-PRIME MOVERS - ACQ ADJ PRODPIS
22 344-GENERATORS - ACQ ADJ PRODPIS
23 345-ACCESSORY ELECT EQ - ACQ ADJ PRODPIS
24 346-MISC POWER PLT EQUIP - ACQ ADJ PRODPIS
25 TOTAL PRODUCTION PLANT RESERVE

26
27 TRANSMISSION PLANT RESERVE
28 350-LAND TRANPIS
29 352-STRUCTURES & IMPROV. TRANPIS
30 353-STATION EQUIPMENT TRANPIS
31 354-TOWERS & FIXTURES TRANPIS
32 355-POLES & FIXTURES TRANPIS
33 356-OVHD COND. & DEVICES TRANPIS
34 358-UNDERGROUND CONDUCTORS & TRANPIS
35 359-ROADS & TRAILS TRANPIS
36 350-LAND - ACQ ADJ TRANPIS
37 352-STRUCTURES & IMPROV - ACQ ADJ TRANPIS
38 353-STATION EQUIPMENT - ACQ ADJ TRANPIS
39 354-TOWERS & FIXTURES - ACQ ADJ TRANPIS
40 355-POLES & FIXTURES - ACQ ADJ TRANPIS
41 356-OVHD COND. & DEVICES - ACQ ADJ TRANPIS
42 TOTAL TRANSMISSION PLANT RESERVE

CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
392,640	1,576,197	329,003	69,779	40,340	0	0	0	25,014
(18)	(74)	(15)	(3)	(2)	0	0	0	(1)
(47,318)	(189,953)	(39,849)	(8,409)	(4,862)	0	0	0	(3,015)
\$345,303	\$1,386,170	\$289,338	\$61,367	\$35,477	\$0	\$0	\$0	\$21,999
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$130,588	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
243,686	0	0	0	0	0	0	0	0
11,911,817	0	0	0	0	0	0	0	0
432,787	0	0	0	0	0	0	0	0
13,216,631	0	0	0	0	0	0	0	0
9,601,308	0	0	0	0	0	0	0	0
3,005	0	0	0	0	0	0	0	0
133,202	0	0	0	0	0	0	0	0
(2,015)	0	0	0	0	0	0	0	0
(7,905)	0	0	0	0	0	0	0	0
(1,212,474)	0	0	0	0	0	0	0	0
(100,145)	0	0	0	0	0	0	0	0
(978,985)	0	0	0	0	0	0	0	0
(801,106)	0	0	0	0	0	0	0	0
(12,022)	0	0	0	0	0	0	0	0
\$32,558,373	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-5
RATE BASE BY FUNCTION
PAGE 9 OF 12

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
ELECTRIC PLANT IN SERVICE CONTINUED							
1 DISTRIBUTION PLANT RESERVE	\$39,431	\$39,431	\$0	\$0	\$0	\$0	\$0
2 360-LAND & LAND RIGHTS	1,604,690	1,604,690	0	0	0	0	0
3 361-STRUCTURES & IMPROV	29,319,311	29,319,311	0	0	0	0	0
4 362-STATION EQUIPMENT	64,768,141	64,768,141	0	0	0	0	0
5 364-POLES, TOWERS & FIXTURES	47,778,302	47,778,302	0	0	0	0	0
6 365-OVHD CONDUCTORS & DEVICES	7,432,398	7,432,398	0	0	0	0	0
7 366-UDGR CONDUCTORS & DEVICES	19,653,085	19,653,085	0	0	0	0	0
8 367-UDGR CONDUIT	41,461,410	41,461,410	0	0	0	0	0
9 368-LINE TRANSFORMER	8,211,453	8,211,453	0	8,211,453	0	0	0
10 369-SERVICE DROP	2,120,609	2,120,609	0	2,120,609	0	0	0
11 370-METERS	2,621,600	2,621,600	0	2,621,600	0	0	0
12 371-INSTAL. ON CUST. PREMISE	(507)	(507)	0	0	0	0	0
13 373-STREET LIGHTS	(259,412)	(259,412)	0	0	0	0	0
14 360-LAND & LAND RIGHTS - ACQ ADJ	(2,714,433)	(2,714,433)	0	0	0	0	0
15 361-STRUCTURES & IMPROV - ACQ ADJ	(5,370,117)	(5,370,117)	0	0	0	0	0
16 362-STATION EQUIPMENT - ACQ ADJ	(3,731,981)	(3,731,981)	0	0	0	0	0
17 364-POLES, TOWERS & FIX - ACQ ADJ	(963,713)	(963,713)	0	0	0	0	0
18 365-OVHD COND & DEVICES - ACQ ADJ	(1,613,992)	(1,613,992)	0	0	0	0	0
19 366-UDGR COND & DEVICES - ACQ ADJ	(3,064,870)	(3,064,870)	0	0	0	0	0
20 367-UDGR CONDUIT - ACQ ADJ	(916,869)	(916,869)	0	(916,869)	0	0	0
21 368-LINE TRANSFORMER - ACQ ADJ	(500,406)	(500,406)	0	(500,406)	0	0	0
22 369-SERVICE DROP - ACQ ADJ	(321,166)	(321,166)	0	(321,166)	0	0	0
23 370-METERS - ACQ ADJ	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 373-STREET LIGHTS - ACQ ADJ	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 TOTAL DISTRIBUTION PLANT RESV	\$205,552,984	\$194,337,743	\$0	\$11,215,221	\$0	\$0	\$0
GENERAL PLANT RESERVE							
26 389-LAND & LAND RIGHTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 390-STRUCT & IMPROVE	1,062,849	817,107	0	245,742	27,401	87,455	0
28 391-OFFICE FURN & EQUIP	1,767,385	1,358,747	0	408,638	45,565	145,426	0
29 392-TRANSP EQUIP	3,007,290	2,311,972	0	695,317	77,531	247,450	0
30 393-STORES EQUIPMENT	98,986	76,099	0	22,887	2,552	8,145	0
31 394-TOOLS, SHOP, & GAR EQ	1,447,195	1,112,588	0	334,607	37,310	119,080	0
32 395-LABORATORY EQUIP	398,707	306,522	0	92,185	10,279	32,807	0
33 396-POWER OPER EQUIP	853,822	656,409	0	197,413	22,012	70,255	0
34 397-COMMUNICATION EQUIP	632,410	486,190	0	146,220	16,304	52,037	0
35 398-MISCELLANEOUS EQUIP	96,323	74,052	0	22,271	2,483	7,926	0

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SCHEDULE G-5
RATE BASE BY FUNCTION
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1	DISTRIBUTION PLANT RESERVE	
2	360-LAND & LAND RIGHTS	PLT360
3	361-STRUCTURES & IMPROV	PLT361
4	362-STATION EQUIPMENT	PLT362
5	364-POLES, TOWERS & FIXTURES	PLT364
6	365-OVHD CONDUCTORS & DEVICES	PLT365
7	366-UDGR CONDUCTORS & DEVICES	PLT366
8	367-UDGR CONDUIT	PLT367
9	368-LINE TRANSFORMER	PLT368
0	369-SERVICE DROP	PLT369
1	370-METERS	PLT370
2	371-INSTAL. ON CUST. PREMISE	PLT371
3	373-STREET LIGHTS	PLT373
4	360-LAND & LAND RIGHTS - ACQ ADJ	PLT360
5	361-STRUCTURES & IMPROV - ACQ ADJ	PLT361
6	362-STATION EQUIPMENT - ACQ ADJ	PLT362
7	364-POLES, TOWERS & FIX - ACQ ADJ	PLT364
8	365-OVHD COND & DEVICES - ACQ ADJ	PLT365
9	366-UDGR COND & DEVICES - ACQ ADJ	PLT366
0	367-UDGR CONDUIT - ACQ ADJ	PLT367
1	368-LINE TRANSFORMER - ACQ ADJ	PLT368
2	369-SERVICE DROP - ACQ ADJ	PLT369
3	370-METERS - ACQ ADJ	PLT370
4	373-STREET LIGHTS - ACQ ADJ	PLT373
5	TOTAL DISTRIBUTION PLANT RESV	
6		
7	GENERAL PLANT RESERVE	
8	389-LAND & LAND RIGHTS	GENLPS
9	390-STRUCT & IMPROVE	GENLPS
0	391-OFFICE FURN & EQUIP	GENLPS
1	392-TRANSP EQUIP	GENLPS
2	393-STORES EQUIPMENT	GENLPS
3	394-TOOLS, SHOP, & GAR EQ	GENLPS
4	395-LABORATORY EQUIP	GENLPS
5	396-POWER OPER EQUIP	GENLPS
6	397-COMMUNICATION EQUIP	GENLPS
7	398-MISCELLANEOUS EQUIP	GENLPS

[illegible]

7	GENERAL PLANT RESERVE	GENPLIS
8	389-LAND & LAND RIGHTS	GENPLIS
9	390-STRUCT & IMPROVE	GENPLIS
0	391-OFFICE FURN & EQUIP	GENPLIS
1	392-TRANSP EQUIP	GENPLIS
2	393-STORES EQUIPMENT	GENPLIS
3	394-TOOLS, SHOP, & GAR EQ	GENPLIS
4	395-LABORATORY EQUIP	GENPLIS
5	396-POWER OPER EQUIP	GENPLIS
6	397-COMMUNICATION EQUIP	GENPLIS
7	398-MISCELLANEOUS EQUIP	GENPLIS

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-5
RATE BASE BY FUNCTION
PAGE 11 OF 12

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 GENERAL PLANT RESERVE CONTINUED							
2 389-LAND & LAND RIGHTS - ACQ ADJ GENLPS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 390-STRUCT & IMPROVE - ACQ ADJ GENLPS	(105,216)	(80,889)	0	(24,327)	(2,713)	(8,658)	0
4 391-OFFICE FURN & EQUIP - ACQ ADJ GENLPS	(454,710)	(349,577)	0	(105,134)	(11,723)	(37,415)	0
5 392-TRANSP EQUIP - ACQ ADJ GENLPS	187,860	144,424	0	43,435	4,843	15,458	0
6 393-STORES EQUIPMENT - ACQ ADJ GENLPS	(6,430)	(4,943)	0	(1,487)	(166)	(529)	0
7 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ GENLPS	(136,469)	(104,916)	0	(31,553)	(3,518)	(11,229)	0
8 395-LABORATORY EQUIP - ACQ ADJ GENLPS	(39,240)	(30,167)	0	(9,073)	(1,012)	(3,229)	0
9 396-POWER OPER EQUIP - ACQ ADJ GENLPS	(28,962)	(22,266)	0	(6,696)	(747)	(2,383)	0
10 397-COMMUNICATION EQUIP - ACQ ADJ GENLPS	(77,071)	(59,251)	0	(17,820)	(1,987)	(6,342)	0
11 398-MISCELLANEOUS EQUIP - ACQ ADJ GENLPS	(5,545)	(4,263)	0	(1,282)	(143)	(456)	0
12 TOTAL GENERAL PLANT RESERVE	\$8,699,184	\$6,687,840	\$0	\$2,011,344	\$224,274	\$715,797	\$0
13							
14 TOTAL RESERVE FOR DEPRECIATION	\$257,176,488	\$243,831,081	\$0	\$13,345,406	\$224,274	\$8,942,112	\$0
15							
16 NET PLANT IN SERVICE	\$344,599,243	\$325,555,960	\$0	\$19,043,284	\$353,286	\$82,398,589	\$0
17							
18							
19 ADDITIONS & DEDUCTIONS TO RATE BASE							
20							
21 DEFERRED TAXES AND TAX CREDITS							
22 PRODUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 TRANSMISSION	0	0	0	0	0	0	0
24 DISTRIBUTION	0	0	0	0	0	0	0
25 GENERAL	(3,012,192)	(2,315,741)	0	(696,451)	(77,658)	(247,853)	0
26 TOTAL DEF. TAXES AND TAX CREDITS	(\$3,012,192)	(\$2,315,741)	\$0	(\$696,451)	(\$77,658)	(\$247,853)	\$0
27							
28 WORKING CAPITAL							
29 CASH WORKING CAPITAL	(\$3,390,766)	(\$3,208,269)	\$0	(\$182,497)	(\$3,254)	(\$514,668)	\$0
30 MATERIALS & SUPPLIES	8,261,763	7,817,099	0	444,663	7,929	1,254,014	0
31 FUEL RELATED	0	0	0	0	0	0	0
32 PREPAYMENTS	634,351	600,209	0	34,142	609	96,285	0
33 TOTAL CASH WORKING CAPITAL	\$5,505,348	\$5,209,040	\$0	\$296,308	\$5,284	\$835,631	\$0
34 CIAC & AMORT	0	0	0	0	0	0	0
35 CUSTOMER ADVANCES	(15,080,400)	(14,081,607)	0	(998,793)	0	0	0
36 CUSTOMER DEPOSITS	(4,064,671)	0	0	(4,064,671)	0	0	0
37 TOTAL CASH WORKING CAPITAL	(\$13,639,723)	(\$8,872,567)	\$0	(\$4,767,156)	\$5,284	\$835,631	\$0
38							
39 TOTAL RATE BASE	\$327,947,328	\$314,367,651	\$0	\$13,579,677	\$280,912	\$82,986,367	\$0
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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-5
RATE BASE BY FUNCTION
PAGE 12 OF 12

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
GENERAL PLANT RESERVE CONTINUED									
389-LAND & LAND RIGHTS - ACQ ADJ GENLPS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390-STRUCT & IMPROVE - ACQ ADJ GENLPS	(7,755)	(49,787)	(11,977)	(1,676)	(6,667)	(824)	(11,163)	(2,006)	(1,971)
391-OFFICE FURN & EQUIP - ACQ ADJ GENLPS	(33,514)	(215,163)	(51,762)	(7,244)	(28,901)	(3,562)	(48,241)	(8,671)	(8,516)
392-TRANSP EQUIP - ACQ ADJ GENLPS	13,846	88,893	21,385	2,993	11,940	1,472	19,930	3,582	3,518
393-STORES EQUIPMENT - ACQ ADJ GENLPS	(474)	(3,043)	(732)	(102)	(409)	(50)	(682)	(123)	(120)
394-TOOLS, SHOP, & GAR EQ - ACQ ADJ GENLPS	(10,058)	(64,575)	(15,535)	(2,174)	(8,674)	(1,069)	(14,478)	(2,602)	(2,556)
395-LABORATORY EQUIP - ACQ ADJ GENLPS	(2,892)	(18,568)	(4,467)	(625)	(2,494)	(307)	(4,163)	(748)	(735)
396-POWER OPER EQUIP - ACQ ADJ GENLPS	(2,135)	(13,704)	(3,297)	(461)	(1,841)	(227)	(3,073)	(552)	(542)
397-COMMUNICATION EQUIP - ACQ ADJ GENLPS	(5,680)	(36,469)	(8,773)	(1,228)	(4,898)	(604)	(8,177)	(1,470)	(1,443)
398-MISCELLANEOUS EQUIP - ACQ ADJ GENLPS	(409)	(2,624)	(631)	(88)	(352)	(43)	(588)	(106)	(104)
TOTAL GENERAL PLANT RESERVE	\$641,169	\$4,116,332	\$990,266	\$138,580	\$552,904	\$68,147	\$922,915	\$165,878	\$162,920
TOTAL RESERVE FOR DEPRECIATION	\$33,544,845	\$175,332,466	\$25,787,385	\$7,494,531	\$2,208,584	\$68,147	\$922,915	\$165,878	\$2,485,352
NET PLANT IN SERVICE	\$47,163,843	\$152,633,198	\$43,007,043	\$6,912,307	\$7,337,724	\$107,349	\$1,453,812	\$261,297	\$2,970,795
ADDITIONS & DEDUCTIONS TO RATE BASE									
DEFERRED TAXES AND TAX CREDITS									
PRODUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRANSP	0	0	0	0	0	0	0	0	0
DISTRIB	0	0	0	0	0	0	0	0	0
GENERAL	(222,012)	(1,425,327)	(342,892)	(47,985)	(191,450)	(23,597)	(319,570)	(57,437)	(56,413)
TOTAL DEF. TAXES AND TAX CREDITS	(\$222,012)	(\$1,425,327)	(\$342,892)	(\$47,985)	(\$191,450)	(\$23,597)	(\$319,570)	(\$57,437)	(\$56,413)
WORKING CAPITAL									
CASH WORKING CAPITAL	(\$454,761)	(\$1,847,956)	(\$387,629)	(\$81,177)	(\$53,790)	(\$989)	(\$13,392)	(\$2,407)	(\$30,743)
MATERIALS & SUPPLIES	1,108,047	4,502,632	944,477	197,791	131,061	2,409	32,630	5,865	74,907
FUEL RELATED	0	0	0	0	0	0	0	0	0
PREFAYMENTS	85,078	345,719	72,518	15,187	10,063	185	2,505	450	5,751
TOTAL CASH WORKING CAPITAL	\$738,364	\$3,000,395	\$629,366	\$131,801	\$87,334	\$1,606	\$21,743	\$3,908	\$49,916
CIAC & AMORT	0	0	0	0	0	0	0	0	0
CUSTOMER ADVANCES	0	(11,649,900)	(2,431,707)	(515,749)	(298,160)	0	0	0	(184,864)
CUSTOMER DEPOSITS	0	0	0	0	0	(4,064,671)	0	0	0
TOTAL CASH WORKING CAPITAL	\$738,364	(\$8,649,505)	(\$1,802,341)	(\$383,948)	(\$210,826)	(\$4,063,065)	\$21,743	\$3,908	(\$134,969)
TOTAL RATE BASE	\$47,680,195	\$142,558,366	\$40,861,811	\$6,480,374	\$6,935,448	(\$3,979,313)	\$1,155,986	\$207,768	\$2,779,414

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 SALES REVENUES							
2 SALES OF ELECTRICITY	\$159,280,447	49,967,944	98,858,351	8,019,214	(657,831)	7,771,742	(1,217,469)
3 SALES FOR RESALE	(0)	(0)	0	(0)	(0)	(0)	0
4 TOTAL SALES REVENUE	159,280,446	49,967,944	98,858,351	8,019,214	(657,831)	7,771,742	(1,217,469)
5							
6 OTHER OPERATING REVENUES							
7 450-LATE FEES	0	0	0	0	0	0	0
8 SALESREV	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716	1,220,716
9 451-MISCELLANEOUS SERVICE REV	428,014	134,273	265,650	21,549	(1,768)	20,884	(3,272)
10 454-RENT FROM ELECT PROPERTY	(3,111)	(976)	(1,931)	(157)	13	(152)	24
11 456-OTHER ELECTRIC REVENUES	1,645,619	1,354,013	1,484,435	1,242,109	1,218,962	1,241,449	1,217,469
12 TOTAL OTHER OPERATING REV							
13 TOTAL OPERATING REVENUES	\$160,926,066	\$51,321,957	\$100,342,786	\$9,261,323	\$561,131	\$9,013,191	\$0
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SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 2 OF 20

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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 POWER PRODUCTION EXPENSE							
2 OTHER POWER GENERATION							
3 OPERATION							
4 546-SUPERVISION & ENGINEERING							
5 547-FUEL	\$77,527	\$77,527	\$0	\$0	\$77,527	\$0	\$0
6 548-GENERATION EXPENSES	7,621,714	0	7,621,714	0	0	0	0
7 549-MISC OTH POWER GEN EXP	37,023	37,023	0	0	0	37,023	0
8 550-RENTS	116,207	116,207	0	0	0	116,207	0
9 550.1-OPER SUPPLIES & EXP	144,000	144,000	0	0	0	144,000	0
10 TOTAL OPERATION EXPENSE	0	0	0	0	0	0	0
11 MAINTENANCE							
12 551-SUPERVISION & ENGINEER							
13 552-STRUCTURES	0	0	0	0	0	0	0
14 553-GENERATING & ELECT PLT	674,009	674,009	0	0	0	674,009	0
15 554-MISC OTH POWER GEN PLT	106,485	106,485	0	0	0	106,485	0
16 BLANK	0	0	0	0	0	0	0
17 TOTAL MAINTENANCE EXPENSE	780,494	780,494	0	0	0	780,494	0
18 TOT OTH POWER GENERATION EXP	\$8,776,966	\$1,155,252	\$7,621,714	\$0	\$77,527	\$1,077,724	\$0
19							
20 OTHER POWER SUPPLY EXPENSES							
21 555-PURCHASED POWER							
22 DEMAND CHARGES	0	0	0	0	0	0	0
23 ENERGY CHARGES	84,638,076	0	84,638,076	0	0	0	0
24 ENERGY CHARGES	0	0	0	0	0	0	0
25 OTHER CHARGES	0	0	0	0	0	0	0
26 TOTAL PURCHASED POWER	84,638,076	0	84,638,076	0	0	0	0
27 556-SYS CONTRL & LOAD DISP	3,220	3,220	0	0	3,220	0	0
28 557-OTHER EXPENSES	224,398	224,398	0	0	224,398	0	0
29 TOTAL OTHER POWER SUPPLY EXP	\$84,865,693	\$227,618	\$84,638,076	\$0	\$227,618	\$0	\$0
30							
31							
32							
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40 TOTAL POWER PRODUCTION EXP	\$93,642,659	\$1,382,870	\$92,259,789	\$0	\$305,145	\$1,077,724	\$0
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 TRANSMISSION EXPENSES							
2 OPERATION							
3 560-SUPERVISION & ENGINEER	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 561-LOAD DISPATCHING	6,095	6,095	0	0	0	0	0
5 562-STATION EXPENSES	33,073	33,073	0	0	0	0	0
6 563-OVERHEAD LINE EXPENSES	26,672	26,672	0	0	0	0	0
7 564-UNDERGROUND LINE EXP	15,619	15,619	0	0	0	0	0
8 565-TRANSM ELECT BY OTHERS	8,082,997	0	8,082,997	0	0	0	0
9 566-MISCELLANEOUS TRNSM EXP	100,085	100,085	0	0	0	0	0
10 567-RENTS	27,940	27,940	0	0	0	0	0
11 565-TRANSM ELECT BY OTHERS	0	0	0	0	0	0	0
12 TOTAL OPERATION EXPENSE	8,292,481	209,484	8,082,997	0	0	0	0
13 MAINTENANCE							
14 568-SUPERVISION & ENGINEER	0	0	0	0	0	0	0
15 569-STRUCTURES	0	0	0	0	0	0	0
16 570-STATION EQUIPMENT	22,997	22,997	0	0	0	0	0
17 571-OVERHEAD LINES	37,340	37,340	0	0	0	0	0
18 572-MAINT OF UNDRGRND LINES	23	23	0	0	0	0	0
19 573-MAINT MISC TRANSM PLT	0	0	0	0	0	0	0
20 TOTAL MAINTENANCE EXPENSE	60,360	60,360	0	0	0	0	0
21 TOTAL TRANSMISSION EXPENSES	\$8,352,841	\$269,844	\$8,082,997	\$0	\$0	\$0	\$0

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OPERATION & MAINTENANCE EXPENSE

1 TRANSMISSION EXPENSES
2 OPERATION
3 560-SUPERVISION & ENGINEER
4 561-LOAD DISPATCHING
5 562-STATION EXPENSES
6 563-OVERHEAD LINE EXPENSES
7 564-UNDERGROUND LINE EXP
8 565-TRANSM ELECT BY OTHERS
9 566-MISCELLANEOUS TRNSM EXP
10 567-RENTS
11 565-TRANSM ELECT BY OTHERS
12 TOTAL OPERATION EXPENSE
13 MAINTENANCE
14 568-SUPERVISION & ENGINEER
15 569-STRUCTURES
16 570-STATION EQUIPMENT
17 571-OVERHEAD LINES
18 572-MAINT OF UNDRGRND LINES
19 573-MAINT MISC TRANSM PLT
20 TOTAL MAINTENANCE EXPENSE
21 TOTAL TRANSMISSION EXPENSES

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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
 RETAIL COST OF SERVICE STUDY
 FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
 OPERATING REVENUES EXPENSE BY FUNCTION
 PAGE 7 OF 20

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 DISTRIBUTION EXPENSES							
2 OPERATION							
3 580-SUPERVISION & ENGINEER							
4 581-LOAD DISPATCHING							
5 582-STATION EXPENSES							
6 583-OVERHEAD LINE EXPENSES							
7 584-UNDERGROUND LINE EXP							
8 585-STREET LIGHT & SIGNAL							
9 586-METER EXPENSES							
10 587-CUST INSTALLATIONS EXP							
11 588-MISC DISTRIBUTION EXP							
12 589-RENTS							
13 TOTAL OPERATION EXPENSE							
14 MAINTENANCE							
15 590-SUPERVISION & ENGINEER							
16 591-STRUCTURES							
17 592-STATION EQUIPMENT							
18 593-OVERHEAD LINES							
19 594-UNDERGROUND LINES							
20 595-LINE TRANSFORMERS							
21 596-STREET LIGHT & SIGNAL							
22 597-METERS							
23 598-MISC DISTRIBUTION PLANT							
24 BLANK							
25 TOTAL MAINTENANCE EXPENSE							
26 TOTAL DISTRIBUTION EXPENSES							

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OPERATION & MAINTENANCE EXPENSE CONTINUED

LAB58189	\$423,430	\$268,825	\$0	\$154,605	\$0	\$0	\$0
DISTPIS	582,583	543,997	0	38,585	0	0	0
PLTDSUB	74,790	74,790	0	0	0	0	0
PLTDOHL	499,849	499,849	0	0	0	0	0
PLTDUGL	490,312	490,312	0	0	0	0	0
PLT373	1,894	0	0	1,894	0	0	0
PLT370	778,885	0	0	778,885	0	0	0
DISTPIS	35,827	33,454	0	2,373	0	0	0
DISTPIS	1,097,758	1,025,052	0	72,706	0	0	0
DISTPIS	83,088	77,585	0	5,503	0	0	0
	4,068,416	3,013,865	0	1,054,551	0	0	0
LAB59198	0	0	0	0	0	0	0
PLT361	0	0	0	0	0	0	0
PLT362	734,286	734,286	0	0	0	0	0
DISTSUB	763,922	763,922	0	0	0	0	0
PLTDUGL	108,736	108,736	0	0	0	0	0
PLT368	104,881	104,881	0	0	0	0	0
PLT373	315,846	0	0	315,846	0	0	0
PLT370	614	0	0	614	0	0	0
DISTPIS	15,555	14,525	0	1,030	0	0	0
SALESREV	0	0	0	0	0	0	0
	2,043,840	1,726,350	0	317,490	0	0	0
	\$6,112,256	\$4,740,215	\$0	\$1,372,041	\$0	\$0	\$0

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 8 OF 20

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
1 DISTRIBUTION EXPENSES									
2 OPERATION									
3 580-SUPERVISION & ENGINEER	\$0	\$164,155	\$104,670	\$4,696	\$147,939	\$0	\$0	\$0	\$1,971
4 581-LOAD DISPATCHING	0	450,056	93,941	19,924	11,518	0	0	0	7,142
5 582-STATION EXPENSES	0	74,790	0	0	0	0	0	0	0
6 583-OVERHEAD LINE EXPENSES	0	499,849	0	0	0	0	0	0	0
7 584-UNDERGROUND LINE EXP	0	0	490,312	0	0	0	0	0	0
8 585-STREET LIGHT & SIGNAL	0	0	0	0	0	0	0	0	1,894
9 586-METER EXPENSES	0	0	0	0	778,885	0	0	0	0
10 587-CUST INSTALLATIONS EXP	0	27,677	5,777	1,225	708	0	0	0	439
11 588-MISC DISTRIBUTION EXP	0	848,039	177,013	37,543	21,704	0	0	0	13,458
12 589-RENTS	0	64,187	13,398	2,842	1,643	0	0	0	1,019
13 TOTAL OPERATION EXPENSE	0	2,128,753	885,111	66,230	962,398	0	0	0	25,923
14 MAINTENANCE									
15 590-SUPERVISION & ENGINEER	0	0	0	0	0	0	0	0	0
16 591-STRUCTURES	0	0	0	0	0	0	0	0	0
17 592-STATION EQUIPMENT	0	734,286	0	0	0	0	0	0	0
18 593-OVERHEAD LINES	0	763,922	0	0	0	0	0	0	0
19 594-UNDERGROUND LINES	0	0	108,736	0	0	0	0	0	0
20 595-LINE TRANSFORMERS	0	104,881	0	0	0	0	0	0	0
21 596-STREET LIGHT & SIGNAL	0	0	0	0	0	0	0	0	315,846
22 597-METERS	0	0	0	0	614	0	0	0	0
23 598-MISC DISTRIBUTION PLANT	0	12,017	2,508	532	308	0	0	0	191
24 BLANK	0	0	0	0	0	0	0	0	0
25 TOTAL MAINTENANCE EXPENSE	0	1,615,106	111,244	532	922	0	0	0	316,036
26 TOTAL DISTRIBUTION EXPENSES	\$0	\$3,743,859	\$996,355	\$66,762	\$963,319	\$0	\$0	\$0	\$341,960

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 9 OF 20

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 CUSTOMER ACCOUNTS EXPENSES							
2 901-SUPERVISION	\$260,950	\$0	\$0	\$260,950	\$0	\$0	\$0
3 902-METER READING EXPENSE	915,625	0	0	915,625	0	0	0
4 903-CUST RECORDS & COLL EXP	3,070,993	0	0	3,070,993	0	0	0
5 904-UNCOLLECTIBLE ACCOUNTS	764,063	713,458	0	50,605	0	0	0
6 905-MISC CUST ACCTS EXP	39,451	0	0	39,451	0	0	0
7 TOTAL CUSTOMER ACCTS EXPENSE	\$5,051,083	\$713,458	\$0	\$4,337,624	\$0	\$0	\$0
8							
9 CUSTOMER SERVICE & INFO EXP							
10 431-CUSTOMER DEPOSIT INTEREST	\$14,499	\$13,539	\$0	\$960	\$0	\$0	\$0
11 908-CUSTOMER ASSISTANCE EXP	94,671	0	0	94,671	0	0	0
12 909-INFO & INSTRUCT EXP	49,423	0	0	49,423	0	0	0
13 910-MISC CUST SERV & INFO EX	31,336	0	0	31,336	0	0	0
14 TOTAL CUST SERVICE & INFO EXP	\$189,930	\$13,539	\$0	\$176,391	\$0	\$0	\$0
15							
16 SALES EXPENSES							
17 911-SUPERVISION	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 912-DEMONSTRATING & SELLING	0	0	0	0	0	0	0
19 913-ADVERTISING EXPENSE							
20 SAFETY	0	0	0	0	0	0	0
21 DSM	0	0	0	0	0	0	0
22 ENVIRONMENTAL	0	0	0	0	0	0	0
23 OTHER	0	0	0	0	0	0	0
24 TOTAL ACCOUNT 913	0	0	0	0	0	0	0
25 914-MISCELLANEOUS SALES EXP	0	0	0	0	0	0	0
26 TOTAL SALES EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27							
28 TOTAL OPER & MAINT EXCL A&G	\$113,348,768	\$7,119,925	\$100,342,786	\$5,886,056	\$305,145	\$1,077,724	\$0

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OPERATION & MAINTENANCE EXPENSE CONTINUED

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 11 OF 20

TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
\$3,103,362	\$2,280,591	\$0	\$822,771	\$93,903	\$109,543	\$0
978,916	719,383	0	259,533	29,621	34,554	0
(1,004,502)	(738,186)	0	(266,316)	(30,395)	(35,457)	0
1,218,155	895,195	0	322,960	36,860	42,999	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
137,277	128,185	0	9,092	0	0	0
0	0	0	0	0	0	0
527,714	387,805	0	139,909	15,968	18,627	0
2,068,341	1,519,977	0	548,364	62,585	73,009	0
0	0	0	0	0	0	0
197,223	186,608	0	10,615	189	29,936	0
(86,769)	(82,099)	0	(4,670)	(83)	(13,170)	0
360,936	341,510	0	19,426	346	54,785	0
57,417	54,326	0	3,090	55	8,715	0
0	0	0	0	0	0	0
7,558,071	5,693,287	0	1,864,774	209,049	323,540	0
20,026	15,396	0	4,630	516	1,648	0
7,578,097	5,708,683	0	1,869,404	209,565	325,187	0
0	0	0	0	0	0	0
120,926,865	12,828,618	100,342,786	7,755,460	514,710	1,402,912	0

OPERATION & MAINTENANCE EXPENSE CONTINUED

1 ADMINISTRATION	
2 OPERATION	
3 920-ADMIN & GEN SALARIES	LABXAG
4 921-OFFICE SUPPLIES & EXP	LABXAG
5 922-ADMIN EXP TRANSF-CREDIT	LABXAG
6 923-OUTSIDE SERVICES EMPLOY	LABXAG
7 924-PROPERTY INSURANCE	
8 PRODUCTION RELATED	PRODPIS
9 TRANSMISSION RELATED	TRANPIS
10 DISTRIBUTION RELATED	DISTPIS
11 OTHER	TOTPIS
12	
13 925-INJURIES & DAMAGES	LABXAG
14 926-EMPLOYEE PENSNS & BENE	LABXAG
15 927-FRANCHISE REQUIREMENTS	TOTPIS
16 928-REGULATORY COMMISSION EXP	TOTPIS
17 929-DUPLICATE CHARGES-CR	TOTPIS
18 930-GENEAL ADVERTISING EX	TOTPIS
19 931-RENTS	TOTPIS
20 933-TRANSPORTATION EXPT	TOTPIS
21 TOTAL OPERATION EXPENSE	
22 MAINTENANCE	
23 935-MAINT OF GENERAL PLANT	GENLPIS
24 TOTAL ADMIN & GENERAL EXPENSE	
25 PAYROLL EXPENSE ADJUSTMENT	LABXAG
26 TOTAL OPERATION & MAINT EXP	

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 12 OF 20

SCHEDULE G-6

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
1 ADMINISTRATION & GENERAL EXP									
2 OPERATION									
3 920-ADMIN & GEN SALARIES	\$212,165	\$1,497,525	\$367,455	\$48,019	\$225,716	\$28,533	\$386,422	\$69,453	\$64,628
4 921-OFFICE SUPPLIES & EXP	66,925	472,375	115,909	15,147	71,199	9,000	121,892	21,908	20,386
5 922-ADMIN EXP TRANSF-CREDIT	(68,674)	(484,722)	(118,939)	(15,543)	(73,060)	(9,236)	(125,078)	(22,481)	(20,919)
6 923-OUTSIDE SERVICES EMPLOY	83,281	587,820	144,236	18,849	88,600	11,200	151,681	27,262	25,368
7 924-PROPERTY INSURANCE									
8 PRODUCTION RELATED	0	0	0	0	0	0	0	0	0
9 TRANSMISSION RELATED	0	0	0	0	0	0	0	0	0
10 DISTRIBUTION RELATED	0	106,049	22,136	4,695	2,714	0	0	0	1,683
11 OTHER	0	0	0	0	0	0	0	0	0
12									
13 925-INJURIES & DAMAGES	36,078	254,648	62,484	8,165	38,382	4,852	65,710	11,810	10,990
14 926-EMPLOYEE PENSNS & BENE	141,404	998,077	244,903	32,004	150,436	19,017	257,544	46,289	43,073
15 927-FRANCHISE REQUIREMENTS	0	0	0	0	0	0	0	0	0
16 928-REGULATORY COMMISSION EXP	26,451	107,486	22,546	4,722	3,129	58	779	140	1,788
17 929-DUPLICATE CHARGES-CR	(11,637)	(47,289)	(9,919)	(2,077)	(1,376)	(25)	(343)	(62)	(787)
18 930-GENERL ADVERTISING EX	48,408	196,709	41,262	8,641	5,726	105	1,426	256	3,273
19 931-RENTS	7,701	31,292	6,564	1,375	911	17	227	41	521
20 933-TRANSPORTATION EXPT	0	0	0	0	0	0	0	0	0
21 TOTAL OPERATION EXPENSE	542,101	3,719,971	898,637	123,996	512,377	63,521	860,260	154,617	150,004
22 MAINTENANCE									
23 935-MAINT OF GENERAL PLANT	1,476	9,476	2,280	319	1,273	157	2,125	382	375
24 TOTAL ADMIN & GENERAL EXPENSE	543,577	3,729,447	900,917	124,315	513,649	63,678	862,384	154,998	150,379
25 PAYROLL EXPENSE ADJUSTMENT	0	0	0	0	0	0	0	0	0
26 TOTAL OPERATION & MAINT EXP	813,421	8,074,760	2,022,815	217,704	1,492,362	996,937	4,172,203	330,429	545,825

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OPERATION & MAINTENANCE EXPENSE CONTINUED

1 ADMINISTRATION & GENERAL EXP

2 OPERATION

3 920-ADMIN & GEN SALARIES

4 921-OFFICE SUPPLIES & EXP

5 922-ADMIN EXP TRANSF-CREDIT

6 923-OUTSIDE SERVICES EMPLOY

7 924-PROPERTY INSURANCE

8 PRODUCTION RELATED

9 TRANSMISSION RELATED

10 DISTRIBUTION RELATED

11 OTHER

12

13 925-INJURIES & DAMAGES

14 926-EMPLOYEE PENSNS & BENE

15 927-FRANCHISE REQUIREMENTS

16 928-REGULATORY COMMISSION EXP

17 929-DUPLICATE CHARGES-CR

18 930-GENERL ADVERTISING EX

19 931-RENTS

20 933-TRANSPORTATION EXPT

21 TOTAL OPERATION EXPENSE

22 MAINTENANCE

23 935-MAINT OF GENERAL PLANT

24 TOTAL ADMIN & GENERAL EXPENSE

25 PAYROLL EXPENSE ADJUSTMENT

26 TOTAL OPERATION & MAINT EXP

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 13 OF 20

	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
1 DEPRECIATION EXPENSE							
2							
3 INTANGIBLE DEPREC EXP							
4 302-FRANCH & CONSENTS							
5 303-MISC. INTANG PLT							
6 302-FRANCH & CONSENTS - ACQ ADJ							
7 303-MISC. INTANG PLT - ACQ ADJ							
8 TOTAL INTANGIBLE DEPREC EXPENSE							
9							
10 PRODUCTION DEPREC EXP							
11 340-LAND & LAND RIGHTS							
12 341-STRUCT & IMPROVE							
13 342-FUEL HLD, PROD. & ACC							
14 343-PRIME MOVERS							
15 344-GENERATORS							
16 345-ACCESSORY ELECT EQ							
17 346-MISC POWER PLT EQUIP							
18 340-LAND & LAND RIGHTS - ACQ ADJ							
19 341-STRUCT & IMPROVE - ACQ ADJ							
20 342-FUEL HLD, PROD. & ACC - ACQ ADJ							
21 343-PRIME MOVERS - ACQ ADJ							
22 344-GENERATORS - ACQ ADJ							
23 345-ACCESSORY ELECT EQ - ACQ ADJ							
24 346-MISC POWER PLT EQUIP - ACQ ADJ							
25 TOTAL PRODUCTION DEPREC EXPENSE							
26							
27 TRANSMISSION DEPREC EXP							
28 350-LAND							
29 352-STRUCTURES & IMPROV.							
30 353-STATION EQUIPMENT							
31 354-TOWERS & FIXTURES							
32 355-POLES & FIXTURES							
33 356-OVHD COND. & DEVICES							
34 358-UNDERGROUND CONDUCTORS & TRAILS							
35 350-LAND - ACQ ADJ							
36 352-STRUCTURES & IMPROV. - ACQ ADJ							
37 353-STATION EQUIPMENT - ACQ ADJ							
38 354-TOWERS & FIXTURES - ACQ ADJ							
39 355-POLES & FIXTURES - ACQ ADJ							
40 356-OVHD COND. & DEVICES - ACQ ADJ							

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
PAGE 14 OF 20

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
DEPRECIATION & AMORTIZATION EXPENSE									
1 DEPRECIATION EXPENSE									
2									
3 INTANGIBLE DEPREC EXP									
4 302-FRANCH & CONSENTS	PISXGENL	\$3	\$11	\$2	\$0	\$0	\$0	\$0	\$0
5 303-MISC. INTANG PLT	PISXGENL	158,360	635,714	132,694	28,143	0	0	0	10,089
6 302-FRANCH & CONSENTS - ACQ ADJ	PISXGENL	(21)	(84)	(18)	(4)	0	0	0	(1)
7 303-MISC. INTANG PLT - ACQ ADJ	PISXGENL	(16,296)	(65,419)	(13,655)	(2,896)	0	0	0	(1,038)
8 TOTAL INTANGIBLE DEPREC EXPENSE	\$142,046	\$570,222	\$119,024	\$25,244	\$14,594	\$0	\$0	\$0	\$9,049
9									
10 PRODUCTION DEPREC EXP									
11 340-LAND & LAND RIGHTS	PRODPIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 341-STRUCT & IMPROVE	PRODPIS	0	0	0	0	0	0	0	0
13 342-FUEL HLD\, PROD, & ACC	PRODPIS	0	0	0	0	0	0	0	0
14 343-PRIME MOVERS	PRODPIS	0	0	0	0	0	0	0	0
15 344-GENERATORS	PRODPIS	0	0	0	0	0	0	0	0
16 345-ACCESSORY ELECT EQ	PRODPIS	0	0	0	0	0	0	0	0
17 346-MISC POWER PLT EQUIP	PRODPIS	0	0	0	0	0	0	0	0
18 340-LAND & LAND RIGHTS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
19 341-STRUCT & IMPROVE - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
20 342-FUEL HLD\, PROD, & ACC - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
21 343-PRIME MOVERS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
22 344-GENERATORS - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
23 345-ACCESSORY ELECT EQ - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
24 346-MISC POWER PLT EQUIP - ACQ ADJ	PRODPIS	0	0	0	0	0	0	0	0
25 TOTAL PRODUCTION DEPREC EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26									
27 TRANSMISSION DEPREC EXP									
28 350-LAND	TRANPIS	\$3,823	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 352-STRUCTURES & IMPROV.	TRANPIS	13,625	0	0	0	0	0	0	0
30 353-STATION EQUIPMENT	TRANPIS	635,820	0	0	0	0	0	0	0
31 354-TOWERS & FIXTURES	TRANPIS	22,677	0	0	0	0	0	0	0
32 355-POLES & FIXTURES	TRANPIS	959,507	0	0	0	0	0	0	0
33 356-OVHD COND. & DEVICES	TRANPIS	369,804	0	0	0	0	0	0	0
34 358-UNDERGROUND CONDUCTORS & TRAILS	TRANPIS	1,121	0	0	0	0	0	0	0
35 359-ROADS & TRAILS	TRANPIS	3,475	0	0	0	0	0	0	0
36 350-LAND - ACQ ADJ	TRANPIS	(1,898)	0	0	0	0	0	0	0
37 352-STRUCTURES & IMPROV. - ACQ ADJ	TRANPIS	(965)	0	0	0	0	0	0	0
38 353-STATION EQUIPMENT - ACQ ADJ	TRANPIS	(152,537)	0	0	0	0	0	0	0
39 354-TOWERS & FIXTURES - ACQ ADJ	TRANPIS	(9,443)	0	0	0	0	0	0	0
40 355-POLES & FIXTURES - ACQ ADJ	TRANPIS	(135,224)	0	0	0	0	0	0	0
41 356-OVHD COND. & DEVICES - ACQ ADJ	TRANPIS	(84,215)	0	0	0	0	0	0	0

BLACK MOUNTAIN GENERATING STATION

UNIS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
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TOTAL COMPANY	DEMAND	ENERGY	CUSTOMER	CAP-PROD	CAP-TRA-PEAK	CAP-TRA-WAPA
(1)	(2)	(3)	(4)	(5)	(6)	(7)
0	0	0	0	0	0	0
(1,121)	(1,121)	0	0	0	0	0
\$1,624,450	\$1,624,450	\$0	\$0	\$0	\$0	\$0

41 358-UNDERGROUND DEVICES - ACQ /TRANPIS
41 359-ROADS & TRAILS - ACQ ADJ TRANPIS
42 TOTAL TRANSMISSION DEPREC EXPENSE

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DEPRECIATION & AMORTIZATION EXPENSE

1 DISTRIBUTION DEPREC EXPENSE	PLT360	\$1,480	\$0	\$0	\$0	\$0
2 360-LAND RIGHTS	PLT361	175,281	0	0	0	0
3 361-STRUCTURES & IMPROV	PLT362	1,691,289	0	0	0	0
4 362-STATION EQUIPMENT	PLT364	3,293,750	0	0	0	0
5 364-POLES, TOWERS & FIXTURES	PLT365	2,342,026	0	0	0	0
6 365-OVERHEAD CONDUCT & DEV	PLT366	612,122	0	0	0	0
7 366-UNDERGROUND CONDUIT	PLT367	1,646,348	0	0	0	0
8 367-UNDERGROUND COND & DEV	PLT368	2,798,122	0	0	0	0
9 368-LINE TRANSFORMERS	PLT369	537,690	537,690	0	0	0
10 369-SERVICES	PLT370	255,143	255,143	0	0	0
11 370-METERS	PLT371	0	0	0	0	0
12 371-INSTALLATIONS CUST PREM	PLT373	0	162,199	0	0	0
13 373-STRT LGHT & SIGNAL SYS	PLT360	(477)	0	0	0	0
14 360-LAND RIGHTS - ACQ ADJ	PLT361	(40,378)	0	0	0	0
15 361-STRUCTURES & IMPROV - ACQ ADJ	PLT362	(358,189)	0	0	0	0
16 362-STATION EQUIPMENT - ACQ ADJ	PLT364	(799,568)	0	0	0	0
17 364-POLES, TOWERS & FIX - ACQ ADJ	PLT365	(482,646)	0	0	0	0
18 365-OVERHEAD COND & DEV - ACQ ADJ	PLT366	(152,216)	0	0	0	0
19 366-UNDERGRND CONDUIT - ACQ ADJ	PLT367	(225,545)	0	0	0	0
20 367-UNDERGR COND & DEV - ACQ ADJ	PLT368	(431,512)	0	0	0	0
21 368-LINE TRANSFORMERS - ACQ ADJ	PLT369	(134,150)	0	0	0	0
22 369-SERVICES - ACQ ADJ	PLT370	(81,914)	(134,150)	0	0	0
23 370-METERS - ACQ ADJ	PLT371	0	(81,914)	0	0	0
24 373-ST LGHT & SIGNAL SYS - ACQ ADJ	PLT373	(43,073)	(43,073)	0	0	0
25 TOTAL DISTRIBUTION DEPREC EXPENSE		\$10,069,887	\$695,895	\$0	\$0	\$0

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UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
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24	373-31 EIGHT & SIGNAL STS - ADG & ELEC	
25	TOTAL DISTRIBUTION DEPREC EXPENSE	

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
OPERATION & MAINTENANCE EXPENSE CONTINUED							
1 GENERAL DEPREC EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 389-LAND & LAND RIGHTS	76,639	58,919	0	17,720	1,976	6,306	0
3 390-STRUCT & IMPROVE	426,158	327,626	0	98,532	10,987	35,066	0
4 391-OFFICE FURN & EQUIP	(68,346)	(52,544)	0	(15,802)	(1,762)	(5,624)	0
5 392-TRANSP EQUIP	1,657	1,274	0	383	43	136	0
6 393-STORES EQUIPMENT	84,270	64,786	0	19,484	2,173	6,934	0
7 394-TOOLS, SHOP, & GAR EQ	33,558	25,799	0	7,759	865	2,761	0
8 395-LABORATORY EQUIP	97,285	74,791	0	22,493	2,508	8,005	0
9 396-POWER OPER EQUIP	17,394	13,372	0	4,022	448	1,431	0
10 397-COMMUNICATION EQUIP	8,184	6,292	0	1,892	211	673	0
11 398-MISCELLANEOUS EQUIP	0	0	0	0	0	0	0
12 389-LAND & LAND RIGHTS - ACQ ADJ	(14,725)	(11,321)	0	(3,405)	(380)	(1,212)	0
13 390-STRUCT & IMPROVE - ACQ ADJ	(130,566)	(100,378)	0	(30,188)	(3,366)	(10,743)	0
14 391-OFFICE FURN & EQUIP - ACQ ADJ	0	0	0	0	0	0	0
15 392-TRANSP EQUIP - ACQ ADJ	(979)	(753)	0	(226)	(25)	(81)	0
16 393-STORES EQUIPMENT - ACQ ADJ	(23,740)	(18,251)	0	(5,489)	(612)	(1,953)	0
17 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	(7,528)	(5,788)	0	(1,741)	(194)	(619)	0
18 395-LABORATORY EQUIP - ACQ ADJ	(7,895)	(6,069)	0	(1,825)	(204)	(650)	0
19 396-POWER OPER EQUIP - ACQ ADJ	(15,968)	(12,276)	0	(3,692)	(412)	(1,314)	0
20 397-COMMUNICATION EQUIP - ACQ ADJ	(1,027)	(790)	0	(237)	(26)	(84)	0
21 398-MISCELLANEOUS EQUIP - ACQ ADJ	\$474,371	\$364,691	\$0	\$109,680	\$12,230	\$39,033	\$0
22 TOTAL GENERAL DEPREC EXPENSE	\$15,884,718	\$15,030,256	\$0	\$854,462	\$12,230	\$2,178,970	\$0
23 TOTAL DEPREC & AMORT EXPENSE							
24							
25							
26 TAXES OTHER THAN INCOME TAXES							
27							
28 TAXES OTHER THAN INCOME TAXES							
29 PRODUCTION PROPERTY TAX	\$617,411	\$617,411	\$0	\$0	\$0	\$617,411	\$0
30 TRANSMISSION PROPERTY TAX	437,531	437,531	0	0	0	0	0
31 DISTRIBUTION PROPERTY TAX	2,500,847	2,335,213	0	165,634	0	0	0
32							

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
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OPERATION & MAINTENANCE EXPENSE CONTINUED

	CAP-SUBTRA (8)	CUST-DIST-PRI (9)	CUST-DIST-SEC (10)	CUST-TRN-SVC (11)	CUST-METER (12)	CUST-METER RDG (13)	CUST-BILL & COL (14)	CUST-INFO (15)	CUST-OTHER (16)
1 GENERAL DEPREC EXPENSE									
2 389-LAND & LAND RIGHTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 390-STRUCT & IMPROVE	5,649	36,264	8,724	1,221	4,871	600	8,131	1,461	1,435
4 391-OFFICE FURN & EQUIP	31,410	201,652	48,512	6,789	27,086	3,338	45,212	8,126	7,981
5 392-TRANSP EQUIP	(5,037)	(32,340)	(7,780)	(1,089)	(4,344)	(535)	(7,251)	(1,303)	(1,280)
6 393-STORES EQUIPMENT	122	784	189	26	105	13	176	32	31
7 394-TOOLS, SHOP, & GAR EQ	6,211	39,876	9,593	1,342	5,356	660	8,940	1,607	1,578
8 395-LABORATORY EQUIP	2,473	15,879	3,820	535	2,133	263	3,560	640	628
9 396-POWER OPER EQUIP	7,170	46,034	11,074	1,550	6,183	762	10,321	1,855	1,822
10 397-COMMUNICATION EQUIP	1,282	8,230	1,980	277	1,106	136	1,845	332	326
11 398-MISCELLANEOUS EQUIP	603	3,873	932	130	520	64	868	156	153
12 389-LAND & LAND RIGHTS - ACQ ADJ	0	0	0	0	0	0	0	0	0
13 390-STRUCT & IMPROVE - ACQ ADJ	(1,085)	(6,968)	(1,676)	(235)	(936)	(115)	(1,562)	(281)	(276)
14 391-OFFICE FURN & EQUIP - ACQ ADJ	(9,623)	(61,782)	(14,863)	(2,080)	(8,299)	(1,023)	(13,852)	(2,490)	(2,445)
15 392-TRANSP EQUIP - ACQ ADJ	0	0	0	0	0	0	0	0	0
16 393-STORES EQUIPMENT - ACQ ADJ	(72)	(463)	(111)	(16)	(62)	(8)	(104)	(19)	(18)
17 394-TOOLS, SHOP, & GAR EQ - ACQ ADJ	(1,750)	(11,233)	(2,702)	(378)	(1,509)	(186)	(2,519)	(453)	(445)
18 395-LABORATORY EQUIP - ACQ ADJ	(555)	(3,562)	(857)	(120)	(478)	(59)	(799)	(144)	(141)
19 396-POWER OPER EQUIP - ACQ ADJ	(582)	(3,736)	(899)	(126)	(502)	(62)	(838)	(151)	(148)
20 397-COMMUNICATION EQUIP - ACQ ADJ	(1,177)	(7,556)	(1,818)	(254)	(1,015)	(125)	(1,694)	(304)	(299)
21 398-MISCELLANEOUS EQUIP - ACQ ADJ	(76)	(486)	(117)	(16)	(65)	(8)	(109)	(20)	(19)
22 TOTAL GENERAL DEPREC EXPENSE	\$34,963	\$224,466	\$54,000	\$7,557	\$30,150	\$3,716	\$50,327	\$9,045	\$8,884
23									
24 TOTAL DEPREC & AMORT EXPENSE	\$1,801,459	\$8,983,865	\$2,053,733	\$436,341	\$217,973	\$3,716	\$50,327	\$9,045	\$137,060
25									
26									
27 TAXES OTHER THAN INCOME TAXES									
28									
29 TAXES OTHER THAN INCOME TAXES									
30 PRODUCTION PROPERTY TAX	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31 TRANSMISSION PROPERTY TAX	437,531	0	0	0	0	0	0	0	0
32 DISTRIBUTION PROPERTY TAX	0	1,931,953	403,260	85,529	49,445	0	0	0	30,660

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-6
OPERATING REVENUES EXPENSE BY FUNCTION
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	TOTAL COMPANY (1)	DEMAND (2)	ENERGY (3)	CUSTOMER (4)	CAP-PROD (5)	CAP-TRA-PEAK (6)	CAP-TRA-WAPA (7)
33 GENERAL PROPERTY TAX	171,505	162,274	0	9,231	165	26,032	0
34 PAYROLL TAX	445,648	327,497	0	118,151	13,485	15,731	0
35 MEDICAL AND DENTAL	5,173	3,801	0	1,371	157	183	0
36 REGULATORY & OTHER	78,240	57,497	0	20,743	2,367	2,762	0
37 TOTAL TAXES OTHER THAN INCOME	\$4,256,354	\$3,941,224	\$0	\$315,131	\$16,173	\$662,118	\$0
38							
39							
40 TOTAL EXPENSES BEFORE INCOME TAX	\$141,067,938	\$31,800,098	\$100,342,786	\$8,925,053	\$543,113	\$4,243,999	\$0
41							
42 OPERATING INCOME BEFORE INCOME TAX	\$19,858,128	\$19,521,859	\$0	\$336,270	\$18,017	\$4,769,191	\$0
43							
44							
45							

DEVELOPMENT OF INCOME TAXES

1 TOTAL OPERATING REVENUES	160,926,066	51,321,957	100,342,786	9,261,323	561,131	9,013,191	0
2							
3 LESS:							
4 OPERATION & MAINT EXPENSE	120,926,865	12,828,618	100,342,786	7,755,460	514,710	1,402,912	0
5 DEPREC & AMORT EXPENSE	0	0	0	0	0	0	0
6 TAXES OTHER THAN INCOME	4,256,354	3,941,224	0	315,131	16,173	662,118	0
7							
8 OPERATING INCOME BEFORE TAXES	35,742,846	34,552,115	0	1,190,732	30,247	6,948,161	0
9							
10 LESS:							
11 INTEREST	0	0	0	0	0	0	0
12							
13 STATE TAXABLE INCOME	35,742,846	34,552,115	0	1,190,732	30,247	6,948,161	0
14 TOTAL STATE INCOME TAX	0	0	0	0	0	0	0
15							
16							
17 FEDERAL TAXABLE INCOME	35,742,846	34,552,115	0	1,190,732	30,247	6,948,161	0
18							
19 STATE AND FEDERAL INCOME TAX	0	0	0	0	0	0	0
20 TOTPIS	4,201,088	3,974,978	0	226,110	4,032	637,663	0
21 DEF INC TAX	0	0	0	0	0	0	0

BLACK MOUNTAIN GENERATING STATION

	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
PRESENT RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS							
RATE OF RETURN	4.77%	3.43%	7.35%	10.19%	-1.40%	1.19%	-14.14%
REVENUES REQUIRED							
1 DEMAND COMPONENTS	51,321,957	25,610,997	3,987,551	18,083,490	3,107,294	544,721	(12,096)
2 DEMAND PRODUCTION	581,131	285,970	33,175	167,768	66,777	6,577	863
3 DEMAND TRANSMISSION (PEAKING)	9,013,191	3,968,772	641,683	3,887,105	457,208	70,079	(11,657)
4 DEMAND TRANSMISSION (WAPA)	0	0	0	0	0	0	0
5 DEMAND SUBTRANSMISSION	6,048,811	2,727,247	419,528	2,486,921	389,670	50,661	(5,217)
6 DEMAND DISTRIBUTION PRIMARY	28,607,458	14,926,008	2,303,749	9,160,275	1,796,108	417,404	3,914
7 DEMAND DISTRIBUTION SEC/PMDARY	7,091,367	3,702,999	589,416	2,381,420	417,531	0	0
8 ENERGY COMPONENTS	100,342,786	49,463,724	5,705,289	29,442,767	13,614,927	1,924,008	192,070
9 CUSTOMER COMPONENTS	9,261,323	6,637,271	1,060,869	888,869	270,235	19,924	384,155
10 CUSTOMER SERVICE DROP	1,169,670	604,900	95,342	383,280	69,684	16,634	(169)
11 CUSTOMER METER	2,170,956	1,686,407	322,308	159,168	1,035	2,039	0
12 CUSTOMER METER READING	831,851	712,531	21,224	60,444	41,114	(3,462)	0
13 CUSTOMER BILLING & COLLECTION	4,350,114	3,293,965	563,322	258,818	158,161	4,275	71,573
14 CUSTOMER INFORMATION	363,506	289,589	50,118	23,221	205	373	0
15 CUSTOMER OTHER	375,226	49,879	8,556	3,939	36	65	312,751

21 TOTAL COMPANY

160,926,066	81,711,991	10,753,709	48,415,127	16,992,456	2,488,654	564,129
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BLACK MOUNTAIN GENERATING STATION

	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
PRESENT RATE OF RETURN SUMMARY SCHEDULE - UNIT COST	4.77%	3.43%	7.35%	10.19%	-1.40%	1.19%	-14.14%
RATE OF RETURN							
\$/KWH							
1 DEMAND COMPONENTS	0.0312	0.0316	0.0427	0.0375	0.0139	0.0173	(0.0038)
2 DEMAND PRODUCTION	0.0003	0.0004	0.0004	0.0003	0.0003	0.0002	0.0003
3 DEMAND TRANSMISSION (PEAKING)	0.0055	0.0049	0.0069	0.0081	0.0021	0.0022	(0.0037)
4 DEMAND TRANSMISSION (WAPA)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5 DEMAND SUBTRANSMISSION	0.0037	0.0034	0.0045	0.0052	0.0017	0.0016	(0.0017)
6 DEMAND DISTRIBUTION PRIMARY	0.0174	0.0184	0.0247	0.0190	0.0081	0.0132	0.0012
7 DEMAND DISTRIBUTION SEC/PMDARY	0.0043	0.0046	0.0063	0.0049	0.0019	0.0000	0.0000
8 ENERGY COMPONENTS	0.0611	0.0611	0.0611	0.0611	0.0611	0.0611	0.0611
9 CUSTOMER COMPONENTS	0.0056	0.0082	0.0114	0.0018	0.0012	0.0006	0.1221
10 CUSTOMER SERVICE DROP	0.0007	0.0007	0.0010	0.0008	0.0003	0.0005	(0.0001)
11 CUSTOMER METER	0.0013	0.0021	0.0034	0.0003	0.0000	0.0001	0.0000
12 CUSTOMER METER READING	0.0005	0.0009	0.0002	0.0001	0.0002	(0.0001)	0.0000
13 CUSTOMER BILLING & COLLECTION	0.0026	0.0041	0.0060	0.0005	0.0007	0.0001	0.0228
14 CUSTOMER INFORMATION	0.0002	0.0004	0.0005	0.0000	0.0000	0.0000	0.0000
15 CUSTOMER OTHER	0.0002	0.0001	0.0001	0.0000	0.0000	0.0000	0.0994
16							
17							
18							
19							
20							
21 TOTAL COMPANY	0.0979	0.1009	0.1151	0.1004	0.0762	0.0790	0.1794
DELIVERY	0.038870	0.039813	0.054036	0.039351	0.015149	0.017922	0.118293
FUEL	0.061067	0.061067	0.061067	0.061067	0.061067	0.061067	0.061067
TOTAL	0.097937	0.100880	0.115104	0.100418	0.076216	0.078989	0.179360

BLACK MOUNTAIN GENERATING STATION							
CLAIMED RATE OF RETURN SUMMARY SCHEDULE - REVENUE REQUIREMENTS							
TOTAL 1		RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
RATE OF RETURN		7.29%	7.29%	7.29%	7.29%	7.29%	7.29%
REVENUES REQUIRED							
1	DEMAND COMPONENTS	63,382,340	36,413,879	3,966,498	14,053,473	7,793,947	198,662
2	DEMAND PRODUCTION	571,755	295,086	33,158	163,880	71,688	1,031
3	DEMAND TRANSMISSION (PEAKING)	12,151,905	6,661,735	636,792	2,738,475	1,907,932	37,856
4	DEMAND TRANSMISSION (WAPA)	(0)	0	0	0	0	0
5	DEMAND SUBTRANSMISSION	7,852,173	4,274,501	416,718	1,826,970	1,203,190	23,231
6	DEMAND DISTRIBUTION PRIMARY	34,193,737	19,995,876	2,293,432	7,444,766	3,650,827	136,545
7	DEMAND DISTRIBUTION SECPMARY	8,612,769	5,186,681	586,396	1,879,382	960,309	(0)
8	ENERGY COMPONENTS	100,342,786	49,463,724	5,705,269	29,442,767	13,614,927	192,070
9	CUSTOMER COMPONENTS	10,700,938	7,167,584	1,060,783	786,399	327,301	1,364,207
10	CUSTOMER SERVICE DROP	1,423,610	835,364	94,873	305,297	153,995	5,860
11	CUSTOMER METER	2,501,920	2,037,386	321,359	138,800	1,611	(0)
12	CUSTOMER METER READING	643,431	594,442	22,736	60,210	7,213	0
13	CUSTOMER BILLING & COLLECTION	4,415,295	3,349,330	563,173	255,605	164,222	78,576
14	CUSTOMER INFORMATION	373,420	300,103	50,089	22,610	223	(0)
15	CUSTOMER OTHER	1,343,263	50,959	8,553	3,876	38	67
16	TOTAL COMPANY	174,426,065	93,045,187	10,732,569	44,282,640	21,736,175	1,279,770
17						2,874,555	1,754,939
18							
19	CUSTOMER COMPONENT \$/MO/CUST	9.93628	7.64546	11.36521	32.60361	14.3553258	63.84045
20							
21		1,643,153,389	809,988,329	93,426,398	482,137,131	222,949,894	3,145,228
		89,746	78,125	7,778	2,010	19	1,781
	Service Drop	(253,939)	0.891060	1.016463	12.657433	675.417841	0.274230
	Metering	(330,963)	2.173223	3.443037	5.754547	7.065951	(0.000000)
	Meter Reading	186,421	0.634074	0.243595	2.496280	31.635004	0.000000
	Billing & Collections	(65,181)	3.572637	6.033820	10.597218	10.757938	3.677114
	Customer Services	(9,915)	0.320112	0.536657	0.937413	0.976700	(0.000000)
	Customer Other	(968,038)	0.054357	0.091633	0.160716	0.164752	59.889106
			7.645	11.365	32.604	14.35533	63.840
	Service Drop		0.93	1.12	11.65	188.20	0.06
	Metering		2.27	3.79	5.30	1.97	(0.00)
	Meter Reading		0.66	0.27	2.30	8.81	0.00
	Billing & Collections		3.74	6.64	9.75	200.70	0.75
	Customer Services		0.33	0.59	0.86	0.27	(0.00)
	Customer Other		0.06	0.10	0.15	0.05	12.20
			8.000	12.500	30.000	400.000	13.000
	Energy	0.061067	0.061067	0.061067	0.061067	0.061067	0.061067

BLACK MOUNTAIN GENERATING STATION

TOTAL 1		RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
CLAIMED RATE OF RETURN SUMMARY SCHEDULE - UNIT COSTS		7.29%	7.29%	7.29%	7.29%	7.29%	7.29%
RATE OF RETURN							
\$/KWH							
1	DEMAND COMPONENTS	\$0.0386	\$0.0450	\$0.0425	\$0.0291	\$0.0350	\$0.0632
2	DEMAND PRODUCTION	\$0.0003	\$0.0004	\$0.0004	\$0.0003	\$0.0003	\$0.0003
3	DEMAND TRANSMISSION (PEAKING)	\$0.0074	\$0.0082	\$0.0088	\$0.0057	\$0.0086	\$0.0120
4	DEMAND TRANSMISSION (WAPA)	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
5	DEMAND SUBTRANSMISSION	\$0.0048	\$0.0053	\$0.0045	\$0.0038	\$0.0054	\$0.0074
6	DEMAND DISTRIBUTION PRIMARY	\$0.0208	\$0.0247	\$0.0245	\$0.0154	\$0.0164	\$0.0434
7	DEMAND DISTRIBUTION SEC'DARY	\$0.0052	\$0.0064	\$0.0063	\$0.0039	\$0.0043	\$0.0000
8	ENERGY COMPONENTS	\$0.0611	\$0.0611	\$0.0611	\$0.0611	\$0.0611	\$0.0611
9	CUSTOMER COMPONENTS	\$0.0065	\$0.0088	\$0.0114	\$0.0016	\$0.0015	\$0.4337
10	DEMAND DISTRIBUTION TRANSF & SVCS	\$0.0009	\$0.0010	\$0.0010	\$0.0006	\$0.0007	\$0.0019
11	CUSTOMER METER	\$0.0015	\$0.0025	\$0.0034	\$0.0003	\$0.0000	\$0.0000
12	CUSTOMER METER READING	\$0.0004	\$0.0007	\$0.0002	\$0.0001	\$0.0000	\$0.0000
13	CUSTOMER BILLING & COLLECTION	\$0.0027	\$0.0041	\$0.0060	\$0.0005	\$0.0007	\$0.0250
14	CUSTOMER INFORMATION	\$0.0002	\$0.0004	\$0.0005	\$0.0000	\$0.0000	\$0.0000
15	CUSTOMER OTHER	\$0.0008	\$0.0001	\$0.0001	\$0.0000	\$0.0000	\$0.4089
16	SYSTEM BENEFITS	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
17	RENEWABLES						
18	ENVIRONMENTAL						
19	DSM						
20	LOW INCOME						
21	TOTAL COMPANY	\$0.1062	\$0.1149	\$0.1149	\$0.0918	\$0.0975	\$0.5580

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (LABOR)
LABOR ALLOCATION BY CLASS
PAGE 1 OF 3

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
DEVELOPMENT OF LABOR ALLOCATION FACTOR								
1 POWER PRODUCTION LABOR								
2 OTHER POWER GENERATION								
3 OPERATION								
4 546-SUPERVISION & ENGINEER	OX546	0	0	0	0	0	0	0
5 547-FUEL	OX547	0	0	0	0	0	0	0
6 548-GENERATION EXPENSES	OX548	0	0	0	0	0	0	0
7 549-MISC OTH POWER GEN EXP	OX549	0	0	0	0	0	0	0
8 550-RENTS	OX550	0	0	0	0	0	0	0
9 550.1-OPER SUPPLIES & EXP	OX5501	0	0	0	0	0	0	0
10 TOTAL OPERATION LABOR		0	0	0	0	0	0	0
11 MAINTENANCE								
12 551-SUPERVISION & ENGINEER	MX551	0	0	0	0	0	0	0
13 552-STRUCTURES	MX552	0	0	0	0	0	0	0
14 553-GENERATING & ELECT PLT	MX553	67,025	34,425	3,916	19,529	8,239	801	114
15 554-MISC OTH POWER GEN PLT	MX554	45,896	23,573	2,682	13,373	5,642	548	78
16 554.1-OTHER PLANT MAINT	MX5541	0	0	0	0	0	0	0
17 TOTAL MAINTENANCE LABOR		112,921	57,998	6,598	32,902	13,881	1,349	192
18 TOT OTH POWER GENERATION LABOR		112,921	57,998	6,598	32,902	13,881	1,349	192
19 OTHER POWER SUPPLY LABOR								
20 555-PURCHASED POWER	OX555	0	0	0	0	0	0	0
21 556-SYS CONTRL & LOAD DISP	OX556	1,230	632	72	358	151	15	2
22 557-OTHER EXPENSES	OX557	276,007	141,762	16,126	80,422	33,930	3,298	470
23 TOTAL OTHER POWER SUPPLY LABOR		277,237	142,394	16,198	80,780	34,081	3,312	472
24 TOTAL POWER PRODUCTION LABOR		390,158	200,392	22,796	113,683	47,962	4,661	664
25								
26 TRANSMISSION LABOR								
27 OPERATION								
28 560-SUPERVISION & ENGINEER	OX560	0	0	0	0	0	0	0
29 561-LOAD DISPATCHING	OX561	28,539	14,658	1,667	8,316	3,508	341	49
30 562-STATION EXPENSES	OX562	21,914	11,255	1,280	6,385	2,694	262	37
31 563-OVERHEAD LINE EXPENSES	OX563	13,801	7,088	806	4,021	1,697	165	23
32 564-UNDERGROUND LINE EXP	OX564	0	0	0	0	0	0	0
33 565-TRANSM ELECT BY OTHERS	OX565	0	0	0	0	0	0	0
34 566-MISCELLANEOUS TRNSM EXP	OX566	24,624	12,647	1,439	7,175	3,027	294	42
35 567-RENTS	OX567	0	0	0	0	0	0	0
36 TOTAL OPERATION LABOR		88,878	45,649	5,193	25,897	10,926	1,062	151
37 MAINTENANCE								
38 568-SUPERVISION & ENGINEER	MX568	0	0	0	0	0	0	0
39 569-STRUCTURES	MX569	0	0	0	0	0	0	0
40 570-STATION EQUIPMENT	MX570	15,938	8,186	931	4,644	1,959	190	27
41 571-OVERHEAD LINES	MX571	24,951	12,815	1,458	7,270	3,067	298	42
42 572-MAINT OF UNDERGRND LINES	MX572	0	0	0	0	0	0	0
43 573-MAINT MISC TRANSM PLT	MX573	0	0	0	0	0	0	0
44 TOTAL MAINTENANCE LABOR		40,889	21,001	2,389	11,914	5,026	489	70
45 TOTAL TRANSMISSION LABOR		129,767	66,651	7,582	37,811	15,952	1,550	221

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (LABOR)
LABOR ALLOCATION BY CLASS
PAGE 2 OF 3

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
DEVELOPMENT OF LABOR ALLOCATION FACTOR CONTINUED								
1 DISTRIBUTION LABOR								
2 OPERATION								
3 580-SUPERVISION & ENGINEER	LAB58189	27,291	17,640	2,568	5,091	1,631	205	156
4 581-LOAD DISPATCHING	OX581	428,693	241,181	31,025	106,012	38,102	6,199	6,173
5 582-STATION EXPENSES	OX582	13,851	7,797	994	3,509	1,267	248	37
6 583-OVERHEAD LINE EXPENSES	OX583	216,119	121,650	15,506	54,749	19,772	3,868	573
7 584-UNDERGROUND LINE EXP	OX584	326,755	187,785	23,936	84,513	30,522	0	0
8 585-STREET LIGHT & SIGNAL	OX585	1,137	0	0	0	0	0	1,137
9 586-METER EXPENSES	OX586	574,975	460,544	77,947	35,547	336	601	0
10 587-CUST INSTALLATIONS EXP	OX587	22,093	12,429	1,599	5,463	1,964	319	318
11 588-MISC DISTRIBUTION EXP	OX588	92,833	52,227	6,719	22,957	8,251	1,342	1,337
12 589-RENTS	OX589	0	0	0	0	0	0	0
13 TOTAL OPERATION LABOR		1,703,747	1,101,254	160,293	317,840	101,845	12,784	9,732
14 MAINTENANCE								
15 590-SUPERVISION & ENGINEER	LAB59198	0	0	0	0	0	0	0
16 591-STRUCTURES	MX591	0	0	0	0	0	0	0
17 592-STATION EQUIPMENT	MX592	339,146	190,900	24,333	85,915	31,028	6,071	900
18 593-OVERHEAD LINES	MX593	588,573	331,299	42,228	149,101	53,848	10,535	1,562
19 594-UNDERGROUND LINES	OX594	84,357	48,480	6,179	21,818	7,880	0	0
20 595-LINE TRANSFORMERS	MX595	57,469	32,348	4,123	14,558	5,258	1,029	152
21 596-STREET LIGHT & SIGNAL	MX596	117,379	0	0	0	0	0	117,379
22 597-METERS	MX597	105	84	14	6	0	0	0
23 598-MISC DISTRIBUTION PLANT	MX598	0	0	0	0	0	0	0
24 TOTAL MAINTENANCE LABOR		1,187,029	603,111	76,878	271,399	98,013	17,635	119,993
25 TOTAL DISTRIBUTION LABOR		2,890,776	1,704,365	237,171	589,239	199,858	30,418	129,725
26								
27 CUSTOMER ACCOUNTS LABOR								
28 901-SUPERVISION	LAB90205	189,091	143,604	24,305	11,084	6,862	187	3,049
29 902-METER READING EXPENSE	OX902	71,462	55,124	9,330	4,255	2,681	72	0
30 903-CUST RECORDS & COLL EXP	OX903	967,804	733,644	124,169	56,626	35,685	958	16,722
31 904-UNCOLLECTIBLE ACCOUNTS	OX904	0	0	0	0	0	0	0
32 905-MISC CUST ACCTS EXP	OX905	18,196	14,313	2,423	1,105	10	19	326
33 TOTAL CUSTOMER ACCTS LABOR		1,246,553	946,685	160,227	73,069	45,239	1,236	20,097
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UNSELECTED COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (LABOR)
LABOR ALLOCATION BY CLASS
PAGE 3 OF 3

1 CUSTOMER SERVICE & INFO LABOR

[illegible]41
42 TOT OPER & MAINTENANCE LABOR

42 43

24

45

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (FACTORS)
ALLOCATION FACTORS BY CLASS
PAGE 1 OF 6

ALLOCATION FACTOR TABLE

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1								
2								
1	CAPACITY RELATED							
2	<u>CAPACITY - PRODUCTION RELATED</u>							
3	DEMAND PRODUCTION	259,850	133,463	15,182	75,714	31,943	3,105	442
4								
5								
6	<u>CAPACITY - TRANSMISSION RELATED</u>							
7	DEMAND TRANSMISSION (PEAKING)	259,850	133,463	15,182	75,714	31,943	3,105	442
8	DEMAND TRANSMISSION (WAPA)	259,850	133,463	15,182	75,714	31,943	3,105	442
9								
10								
11								
12	<u>CAPACITY - SUBTRANSMISSION RELATED</u>							
13	DEMAND SUBTRANSMISSION	259,850	133,463	15,182	75,714	31,943	3,105	442
14								
15								
16								
17								
18	<u>CAPACITY - DISTRIBUTION RELATED</u>							
19	DIST - PRI DIST SUBSTATIONS	442,547	249,103	31,751	112,109	40,488	7,921	1,174
20	DIST - PRIMARY OVERHEAD LINES	442,547	249,103	31,751	112,109	40,488	7,921	1,174
21	DIST - PRIMARY UNDERGROUND LINES	442,547	249,103	31,751	112,109	40,488	7,921	1,174
22	DIST - SEC DIST SUBSTATIONS	442,547	249,103	31,751	112,109	40,488	7,921	1,174
23	DIST - SEC UNDERGROUND LINES	434,626	249,103	31,751	112,109	40,488	0	1,174
24	DIST - SEC OVERHEAD LINES	433,451	249,103	31,751	112,109	40,488	0	0
25	DIST - STREET LIGHTING	1	0	0	0	0	0	1
26								
27								
28	<u>CUSTOMER - DIST SERVICE RELATED</u>							
29	DIST - OVERHEAD LINE TRANSFORMERS	434,626	249,103	31,751	112,109	40,488	0	1,174
30	DIST - UNDERGROUND LINE TRANSFORMERS	433,451	249,103	31,751	112,109	40,488	0	0
31	DIST - OVERHEAD SERVICES	442,547	249,103	31,751	112,109	40,488	7,921	1,174
32	DIST - UNDERGROUND SERVICES	441,373	249,103	31,751	112,109	40,488	7,921	0
33								
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (FACTORS)
ALLOCATION FACTORS BY CLASS
PAGE 2 OF 6

STREET
LIGHTING
7

INTERRUPTIBLE
6

LPS
5

LGS
4

SGS
3

RESIDENTIAL
2

TOTAL
1

ALLOC

ALLOCATION FACTOR TABLE CONTINUED

1 ENERGY RELATED

2
3 ENERGY PRODUCTION PWR SUPPLY EPROD
4 ENERGY PRODUCTION PWR SUPPLY EFUEL

31,943 442
222,949,894 3,145,228

75,714
482,137,131

15,182
93,426,398

133,463
809,988,329

259,850
1,643,153,389

CUSTOMER RELATED - DISTRIBUTION

16 CUSTAVG
17 UNWEIGHTED CUSTOMER BILLS CUST
18 WEIGHTED CUSTOMER BILLS CBILLCOL
19 BILLING AND COLLECTION CINFO
20 CUSTOMER INFORMATION CMETERS
21 METERS
22 STREET LIGHTING CLIGHT
23 METER READING CMETRDG
24 MISC SERVICE REVENUES CMSREV
25 CUSTOMER DEPOSITS DDEPOS

19 34
57 102
3,800 102
57 102
57 102
57 102
0 1
3,800 102
8,753 950
214,661 335,496

2,010
6,030
6,030
6,030
6,030
6,030
0
6,030
225
150

7,778
13,223
13,223
13,223
13,223
13,223
0
13,223
155,680
1,341,984

78,125
78,125
78,125
78,125
78,125
78,125
0
78,125
1,054,918
1,719,187

89,746
99,317
103,060
97,536
97,536
1
101,279
1,220,716
3,611,478

REVENUE RELATED

29 904-UNCOLLECTIBLE ACCOUNT EXP
30 EXP904

16,938,518 562,438
16,938,518 562,438

48,286,092
48,286,092

10,569,832
10,569,832

80,442,482
80,442,482

159,280,447
159,280,447

BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (FACTORS)
ALLOCATION FACTORS BY CLASS
PAGE 3 OF 6

ALLOCATION FACTOR TABLE CONTINUED

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1								
2	INTERNALLY DEVELOPED							
3	PLANT IN SERVICE EXCL GENERAL							
4	TOTAL PLANT IN SERVICE	572,824,731	314,106,637	39,132,663	149,001,294	56,586,769	7,864,645	6,132,723
5	PRODUCTION PLANT IN SERVICE	601,775,731	330,877,172	41,375,652	155,993,221	59,070,260	8,203,850	6,655,577
6	TRANSMISSION PLANT IN SERVICE	88,485,785	45,447,794	5,170,018	25,782,622	10,877,582	1,057,193	150,576
7	DISTRIBUTION PLANT IN SERVICE	78,163,957	40,146,329	4,566,937	22,775,090	9,608,717	933,872	133,011
8	DISTRIBUTION SUBSTATIONS	406,174,990	228,512,514	29,395,708	100,443,582	36,100,471	5,873,580	5,849,136
9	TOTAL TRANSMISSION & DISTRIBUTION	49,687,180	27,968,168	3,564,910	12,587,067	4,545,804	889,386	131,845
10	GENERAL PLANT	484,338,946	268,658,843	33,962,646	123,218,672	45,709,187	6,807,452	5,982,147
11	BASE RATE SALES REVENUE	22,402,487	13,179,678	1,795,625	4,888,549	1,836,593	249,297	452,745
12	TOTAL O&M LESS FUEL & PP& WAPA	159,280,447	80,442,482	10,569,832	48,286,092	16,938,518	2,481,085	562,438
13	ACCOUNT 360	20,584,079	12,672,013	1,823,273	3,839,457	1,475,682	188,163	585,491
14	ACCOUNT 361	777,627	437,714	55,792	196,993	71,144	13,919	2,063
15	ACCOUNT 362	5,584,527	3,143,447	400,674	1,414,707	510,920	99,961	14,819
16	ACCOUNT 364	49,687,180	27,968,168	3,564,910	12,587,067	4,545,804	889,386	131,845
17	ACCOUNT 365	94,295,758	53,077,667	6,765,445	23,887,590	8,626,975	1,687,866	250,215
18	ACCOUNT 366	79,531,590	44,767,139	5,706,159	20,147,439	7,276,224	1,423,592	211,038
19	ACCOUNT 367	15,762,500	9,058,659	1,154,645	4,076,847	1,472,349	0	0
20	ACCOUNT 368	49,733,008	28,581,404	3,643,075	12,863,053	4,645,476	0	0
21	ACCOUNT 369	83,901,339	47,226,805	6,019,676	21,254,411	7,676,005	1,501,809	222,633
22	ACCOUNT 370	13,891,158	7,819,124	996,650	3,518,995	1,270,881	248,648	36,860
23	ACCOUNT 371	8,030,640	6,432,386	1,088,683	496,480	4,693	8,398	0
24	ACCOUNT 373	0	0	0	0	0	0	0
25	DISTRIBUTION SUBSTATIONS	4,979,662	0	0	0	0	0	4,979,662
26	DISTRIBUTION OVERHEAD LINES	49,687,180	27,968,168	3,564,910	12,587,067	4,545,804	889,386	131,845
27	DISTRIBUTION UNDERGROUND LINES	79,531,590	44,767,139	5,706,159	20,147,439	7,276,224	1,423,592	211,038
28		65,495,508	37,640,063	4,797,720	16,939,900	6,117,825	0	0

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (FACTORS)
ALLOCATION FACTORS BY CLASS
PAGE 4 OF 6

ALLOCATION FACTOR TABLE CONTINUED

1 INTERNALLY DEVELOPED CONTINUED

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
2								
3	ACCOUNT 546	77,527	39,819	4,530	22,590	9,530	926	132
4	ACCOUNT 547	7,621,714	3,757,105	433,355	2,236,377	1,034,146	146,141	14,589
5	ACCOUNT 548	37,023	19,015	2,163	10,787	4,551	442	63
6	ACCOUNT 549	116,207	59,686	6,790	33,860	14,285	1,388	198
7	ACCOUNT 550	144,000	73,961	8,414	41,958	17,702	1,720	245
8	ACCOUNT 550.1	0	0	0	0	0	0	0
9	LABOR ACCOUNT 547-550.1	112,921	58,161	6,300	32,999	13,916	1,353	192
10	ACCOUNT 551	0	0	0	0	0	0	0
11	ACCOUNT 552	0	0	0	0	0	0	0
12	ACCOUNT 553	674,009	346,183	39,381	196,390	82,856	8,053	1,147
13	ACCOUNT 554	106,485	54,693	6,222	31,027	13,090	1,272	181
14	ACCOUNT 554.1	0	0	0	0	0	0	0
15	LABOR ACCOUNT 552-554.1	112,921	57,998	6,598	32,902	13,881	1,349	192
16	ACCOUNT 555	84,638,076	41,722,126	4,812,351	24,834,662	11,484,047	1,622,881	162,009
17	ACCOUNT 556	3,220	1,654	188	938	396	38	5
18	ACCOUNT 557	224,398	115,255	13,111	65,384	27,585	2,681	382
19	ACCOUNT 560	0	0	0	0	0	0	0
20	ACCOUNT 561	6,095	3,130	356	1,776	749	73	10
21	ACCOUNT 562	33,073	16,987	1,932	9,637	4,066	395	56
22	ACCOUNT 563	26,672	13,699	1,558	7,772	3,279	319	45
23	ACCOUNT 564	15,619	8,022	913	4,551	1,920	187	27
24	ACCOUNT 565	8,082,997	3,984,493	459,583	2,371,728	1,096,735	154,986	15,472
25	ACCOUNT 566	100,085	51,405	5,848	29,162	12,303	1,196	170
26	ACCOUNT 567	27,940	14,350	1,632	8,141	3,435	334	48
27	LABOR ACCOUNT 561-567	88,878	45,649	5,193	25,897	10,926	1,062	151
28	ACCOUNT 568	0	0	0	0	0	0	0
29	ACCOUNT 569	0	0	0	0	0	0	0
30	ACCOUNT 570	22,997	11,811	1,344	6,701	2,827	275	39
31	ACCOUNT 571	37,340	19,179	2,182	10,880	4,590	446	64
32	ACCOUNT 572	23	12	1	7	3	0	0
33	ACCOUNT 573	0	0	0	0	0	0	0
34	LABOR ACCOUNT 569-573	40,889	21,001	2,389	11,914	5,026	489	70
35	ACCOUNT 580	423,430	273,693	39,837	78,992	25,311	3,177	2,419
36	ACCOUNT 581	582,583	327,759	42,163	144,068	51,779	8,425	8,389
37	ACCOUNT 582	74,790	42,098	5,366	18,946	6,842	1,339	198
38	ACCOUNT 583	499,849	281,357	35,863	126,625	45,730	8,947	1,326
39	ACCOUNT 584	490,312	281,781	35,917	126,815	45,799	0	0
40	ACCOUNT 585	1,894	0	0	0	0	0	1,894
41	ACCOUNT 586	778,885	623,872	105,590	48,153	455	815	0
42								
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (FACTORS)
ALLOCATION FACTORS BY CLASS
PAGE 5 OF 6

ALLOCATION FACTOR TABLE CONTINUED		ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1	INTERNALLY DEVELOPED CONTINUED								
2									
3	ACCOUNT 587	OX587	35,827	20,156	2,593	8,860	3,184	518	516
4	ACCOUNT 588	OX588	1,097,758	617,595	79,447	271,466	97,568	15,874	15,808
5	ACCOUNT 589	OX589	83,088	46,745	6,013	20,547	7,385	1,202	1,197
6	LABOR ACCOUNTS 581-589	LAB58189	1,676,456	1,083,614	157,725	312,749	100,214	12,579	9,576
7	ACCOUNT 590	MX590	0	0	0	0	0	0	0
8	ACCOUNT 591	MX591	0	0	0	0	0	0	0
9	ACCOUNT 592	MX592	734,286	413,319	52,683	186,014	67,179	13,144	1,948
10	ACCOUNT 593	MX593	763,922	430,000	54,809	193,522	69,890	13,674	2,027
11	ACCOUNT 594	MX594	108,736	62,490	7,965	28,124	10,157	0	0
12	ACCOUNT 595	MX595	104,881	59,036	7,525	26,569	9,595	1,877	278
13	ACCOUNT 596	MX596	315,846	0	0	0	0	0	315,846
14	ACCOUNT 597	MX597	614	492	83	38	0	1	0
15	ACCOUNT 598	MX598	15,555	8,751	1,126	3,847	1,383	225	224
16	LABOR ACCOUNTS 591-598	LAB59198	1,187,029	603,111	76,878	271,399	98,013	17,635	119,993
17	ACCOUNT 901	OX901	260,950	198,177	33,541	15,296	9,470	259	4,207
18	ACCOUNT 902	OX902	915,625	706,293	119,540	54,515	34,354	922	0
19	ACCOUNT 903	OX903	3,070,993	2,327,967	394,009	179,683	113,233	3,039	53,063
20	ACCOUNT 904	OX904	764,063	429,859	55,297	188,946	67,909	11,049	11,003
21	ACCOUNT 905	OX905	39,451	31,033	5,252	2,395	23	41	707
22	LABOR ACCOUNTS 902-905	LAB90205	1,057,462	803,081	135,922	61,985	38,376	1,049	17,049
23	ACCOUNT 907	OX907	14,499	8,157	1,049	3,585	1,289	210	209
24	ACCOUNT 908	OX908	94,671	75,830	12,834	5,853	55	99	0
25	ACCOUNT 909	OX909	49,423	39,587	6,700	3,055	29	52	0
26	ACCOUNT 910	OX910	31,336	25,100	4,248	1,937	18	33	0
27	LABOR ACCOUNTS 908-910	LAB90810	205,050	164,241	27,798	12,677	120	214	0
28	ACCOUNT 911	OX911	0	0	0	0	0	0	0
29	ACCOUNT 912	OX912	0	0	0	0	0	0	0
30	ACCOUNT 913	OX913	0	0	0	0	0	0	0
31	ACCOUNT 914	OX914	0	0	0	0	0	0	0
32	LABOR ACCOUNTS 912-917	LAB91217	0	0	0	0	0	0	0
33	ACCOUNT 920	OX920	3,103,362	1,851,680	256,374	650,663	242,309	33,358	68,978
34	ACCOUNT 921	OX921	0	0	0	0	0	0	0
35	ACCOUNT 922	OX922	0	0	0	0	0	0	0
36	ACCOUNT 923	OX923	0	0	0	0	0	0	0
37	ACCOUNT 924	OX924	0	0	0	0	0	0	0
38	ACCOUNT 925	OX925	527,714	314,871	43,595	110,643	41,204	5,672	11,729
39	ACCOUNT 926	OX926	2,068,341	1,234,115	170,869	433,656	161,495	22,232	45,973
40	ACCOUNT 927	OX927	0	0	0	0	0	0	0
41	ACCOUNT 928	OX928	197,223	108,440	13,560	50,993	19,359	2,689	2,181
42	ACCOUNT 929	OX929	(86,769)	(47,709)	(5,966)	(22,435)	(8,517)	(1,183)	(960)

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (FACTORS)
ALLOCATION FACTORS BY CLASS
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ALLOCATION FACTOR TABLE CONTINUED	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1 INTERNALLY DEVELOPED CONTINUED								
2								
3 ACCOUNT 930	OX930	360,936	198,455	24,817	93,323	35,429	4,921	3,992
4 ACCOUNT 931	OX931	57,417	31,570	3,948	14,845	5,636	783	635
5 ACCOUNT 933	OX933	0	0	0	0	0	0	0
6 ACCOUNT 935	OX935	20,026	11,782	1,605	4,370	1,642	223	405
7 LABOR ACCOUNTS 921-935	LAB92135	638,956	334,634	39,174	180,327	74,132	7,934	2,755
8 LABOR EXCLUDING A&G	LABXAG	9,162,289	5,466,855	756,912	1,921,001	715,388	98,484	203,649
9 LABOR	LABOR	13,330,645	7,842,594	1,068,490	2,908,941	1,092,868	148,345	269,407
10 ACCOUNTS 581-589	OX58189	3,644,986	2,241,363	312,952	765,480	258,743	37,119	29,329
11 ACCOUNTS 591-598	MX59198	2,043,840	974,088	124,191	438,113	158,204	28,920	320,323
12								
13								
14								
15								
16 O&M EXP LESS FUEL, PP, & WAPA								
17								
18 RESIDENTIAL		12,672,013	12,672,013	0	0	0	0	0
19 SGS		1,823,273	0	1,823,273	0	0	0	0
20 LGS		3,839,457	0	0	3,839,457	0	0	0
21 LPS		1,475,682	0	0	0	1,475,682	0	0
22 INTERRUPTIBLE		188,163	0	0	0	0	188,163	0
23 STREET LIGHTING		585,491	0	0	0	0	0	585,491
24								
25								
26								
27								
28								
29 REVENUES FROM SALES								
30 SALES OF ELECTRICITY REVENUES		159,280,447	80,442,482	10,569,832	48,286,092	16,938,518	2,481,085	562,438
31								
32								
33								
34								
35 REVENUE REQUIREMENTS INPUTS								
36 CLAIMED RATE OF RETURN		7.29%	7.29%	7.29%	7.29%	7.29%	7.29%	7.29%
37 AVERAGE ANNUAL CUSTOMERS		89,746	78,125	7,778	2,010	19	34	1,781
38 ANNUAL KWH SALES		1,643,153,389	809,988,329	93,426,398	482,137,131	222,949,894	31,506,409	3,145,228
39 TOTAL PROPOSED SALES REVENUES		172,780,447	86,680,495	11,543,449	52,733,859	18,498,772	2,709,624	614,248
40 PROPOSED SALES REVENUES NON-MARGIN		100,342,786	49,463,724	5,705,289	29,442,767	13,614,927	1,924,008	192,070
41 PROPOSED SALES REVENUES MARGIN		72,437,660	37,216,771	5,838,160	23,291,092	4,883,845	785,616	422,177
42								
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (RATIOS)
ALLOCATION FACTOR RATIOS BY CLASS
PAGE 1 OF 6

RATIO TABLE

	ALOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (RATIOS)
ALLOCATION FACTOR RATIOS BY CLASS
PAGE 2 OF 6

RATIO TABLE CONTINUED

	ALLOC	TOTAL 1	RESIDENTIAL 2	SGS 3	LGS 4	LPS 5	INTERRUPTIBLE 6	STREET LIGHTING 7
1								
2								
3	ENERGY RELATED							
4	ENERGY PRODUCTION PWR SUPPLY	1.00000	0.51362	0.05843	0.29138	0.12293	0.01195	0.00170
5	ENERGY PRODUCTION PWR SUPPLY	1.00000	0.49295	0.05686	0.29342	0.13568	0.01917	0.00191
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	CUSTOMER RELATED - DISTRIBUTION							
17	UNWEIGHTED CUSTOMER BILLS	1.00000	0.87050	0.08667	0.02240	0.00021	0.00038	0.01984
18	WEIGHTED CUSTOMER BILLS	1.00000	0.78662	0.13314	0.06071	0.00057	0.00103	0.01793
19	BILLING AND COLLECTION	1.00000	0.75805	0.12830	0.05851	0.03687	0.00099	0.01728
20	CUSTOMER INFORMATION	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
21	METERS	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
22	STREET LIGHTING	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
23	METER READING	1.00000	0.77138	0.13056	0.05954	0.03752	0.00101	0.00000
24	MISC SERVICE REVENUES	1.00000	0.86418	0.12753	0.00018	0.00717	0.00078	0.00016
25	CUSTOMER DEPOSITS	1.00000	0.47603	0.37159	0.00004	0.05944	0.09290	0.00000
26								
27								
28								
29	REVENUE RELATED							
30	904-UNCOLLECTIBLE ACCOUNT EXP	1.00000	0.50504	0.06636	0.30315	0.10634	0.01558	0.00353
31								
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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (RATIOS)
ALLOCATION FACTOR RATIOS BY CLASS
PAGE 3 OF 6

RATIO TABLE CONTINUED

1	2	3	4	5	6	7
ALOC	TOTAL	RESIDENTIAL	SGS	LGS	LPS	STREET
1	1	2	3	4	5	7
INTERNALLY DEVELOPED						
3 PLANT IN SERVICE EXCL GENERAL	1.0000	0.54835	0.06832	0.26012	0.09879	0.01071
4 TOTAL PLANT IN SERVICE	1.0000	0.54983	0.06876	0.25856	0.09816	0.01106
5 PRODUCTION PLANT IN SERVICE	1.0000	0.51362	0.05843	0.29138	0.12293	0.00170
6 TRANSMISSION PLANT IN SERVICE	1.0000	0.51362	0.05843	0.29138	0.12293	0.00170
7 DISTRIBUTION PLANT IN SERVICE	1.0000	0.56260	0.07237	0.24729	0.08888	0.01440
8 DISTRIBUTION SUBSTATIONS	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
9 TOTAL TRANSMISSION & DISTRIBUTION	1.0000	0.55469	0.07012	0.25441	0.09437	0.01235
10 GENERAL PLANT	1.0000	0.58831	0.08015	0.21821	0.08198	0.02021
11 BASE RATE SALES REVENUE	1.0000	0.50504	0.06636	0.30315	0.10634	0.00353
12 TOTAL O&M LESS FUEL & PP& WAPA	1.0000	0.61562	0.08858	0.18653	0.07169	0.02844
13 ACCOUNT 360	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
14 ACCOUNT 361	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
15 ACCOUNT 362	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
16 ACCOUNT 364	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
17 ACCOUNT 365	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
18 ACCOUNT 366	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
19 ACCOUNT 367	1.0000	0.57470	0.07325	0.25864	0.09341	0.00000
20 ACCOUNT 368	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
21 ACCOUNT 369	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
22 ACCOUNT 370	1.0000	0.80098	0.13557	0.06182	0.00058	0.00000
23 ACCOUNT 371	1.0000	0.00000	0.00000	0.00000	0.00000	0.00000
24 ACCOUNT 373	1.0000	0.00000	0.00000	0.00000	0.00000	0.00000
25 DISTRIBUTION SUBSTATIONS	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
26 DISTRIBUTION OVERHEAD LINES	1.0000	0.56288	0.07175	0.25333	0.09149	0.00265
27 DISTRIBUTION UNDERGROUND LINES	1.0000	0.57470	0.07325	0.25864	0.09341	0.00000

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008

SCHEDULE G-7 (RATIOS)
ALLOCATION FACTOR RATIOS BY CLASS
PAGE 4 OF 6

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
FOR THE 12 MONTHS ENDING DECEMBER 31, 2008SCHEDULE G-7 (RATIOS)
ALLOCATION FACTOR RATIOS BY CLASS
PAGE 5 OF 6

RATIO TABLE CONTINUED

1	2	3	4	5	6	7	8	9
1	INTERNALLY DEVELOPED CONTINUED							
2								
3	ACCOUNT 587	1.00000	0.56260	0.07237	0.24729	0.08888	0.01446	0.01440
4	ACCOUNT 588	1.00000	0.56260	0.07237	0.24729	0.08888	0.01446	0.01440
5	ACCOUNT 589	1.00000	0.56260	0.07237	0.24729	0.08888	0.01446	0.01440
6	LABOR ACCOUNTS 581-589	1.00000	0.64637	0.09408	0.18655	0.05978	0.00750	0.00571
7	ACCOUNT 590	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8	ACCOUNT 591	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9	ACCOUNT 592	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
10	ACCOUNT 593	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
11	ACCOUNT 594	1.00000	0.57470	0.07325	0.25864	0.09341	0.00000	0.00000
12	ACCOUNT 595	1.00000	0.56288	0.07175	0.25333	0.09149	0.01790	0.00265
13	ACCOUNT 596	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
14	ACCOUNT 597	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
15	ACCOUNT 598	1.00000	0.56260	0.07237	0.24729	0.08888	0.01446	0.01440
16	LABOR ACCOUNTS 591-598	1.00000	0.50808	0.06477	0.22864	0.08257	0.01486	0.10109
17	ACCOUNT 901	1.00000	0.75944	0.12854	0.05862	0.03629	0.00099	0.01612
18	ACCOUNT 902	1.00000	0.77138	0.13056	0.05954	0.03752	0.00101	0.00000
19	ACCOUNT 903	1.00000	0.75805	0.12830	0.05851	0.03687	0.00099	0.01728
20	ACCOUNT 904	1.00000	0.56260	0.07237	0.24729	0.08888	0.01446	0.01440
21	ACCOUNT 905	1.00000	0.78662	0.13314	0.06071	0.00057	0.00103	0.01793
22	LABOR ACCOUNTS 902-905	1.00000	0.75944	0.12854	0.05862	0.03629	0.00099	0.01612
23	ACCOUNT 907	1.00000	0.56260	0.07237	0.24729	0.08888	0.01446	0.01440
24	ACCOUNT 908	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
25	ACCOUNT 909	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
26	ACCOUNT 910	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
27	LABOR ACCOUNTS 908-910	1.00000	0.80098	0.13557	0.06182	0.00058	0.00105	0.00000
28	ACCOUNT 911	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
29	ACCOUNT 912	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	ACCOUNT 913	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31	ACCOUNT 914	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
32	LABOR ACCOUNTS 912-917	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
33	ACCOUNT 920	1.00000	0.59667	0.08261	0.20966	0.07808	0.01075	0.02223
34	ACCOUNT 921	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	ACCOUNT 922	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36	ACCOUNT 923	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37	ACCOUNT 924	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
38	ACCOUNT 925	1.00000	0.59667	0.08261	0.20966	0.07808	0.01075	0.02223
39	ACCOUNT 926	1.00000	0.59667	0.08261	0.20966	0.07808	0.01075	0.02223
40	ACCOUNT 927	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
41	ACCOUNT 928	1.00000	0.54983	0.06876	0.25856	0.09816	0.01363	0.01106
42	ACCOUNT 929	1.00000	0.54983	0.06876	0.25856	0.09816	0.01363	0.01106

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BLACK MOUNTAIN GENERATING STATION

UNS ELECTRIC COMPANY
RETAIL COST OF SERVICE STUDY
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SCHEDULE G-7 (RATIOS)
ALLOCATION FACTOR RATIOS BY CLASS
PAGE 6 OF 6

RATIO TABLE CONTINUED

1	2	3	4	5	6	7
1	2	3	4	5	6	7
ALOC	TOTAL	RESIDENTIAL	SGS	LGS	LPS	STREET LIGHTING
1	2	3	4	5	6	7
1	INTERNALLY DEVELOPED CONTINUED					
2	-----					
3	ACCOUNT 930	0.54983	0.06876	0.25856	0.09816	0.01363
4	ACCOUNT 931	0.54983	0.06876	0.25856	0.09816	0.01363
5	ACCOUNT 933	0.00000	0.00000	0.00000	0.00000	0.00000
6	ACCOUNT 935	0.58831	0.08015	0.21821	0.08198	0.01113
7	LABOR ACCOUNTS 921-935	0.52372	0.06131	0.28222	0.11602	0.01242
8	LABOR EXCLUDING A&G	0.59667	0.08261	0.20966	0.07808	0.01075
9	LABOR	0.58831	0.08015	0.21821	0.08198	0.01113
10	ACCOUNTS 581-589	0.61492	0.08586	0.21001	0.07099	0.01018
11	ACCOUNTS 591-598	0.47660	0.06076	0.21436	0.07741	0.01415
12						
13						
14						
15	O&M EXP LESS FUEL, PP, & WAPA					
16	-----					
17	RESIDENTIAL	1.00000	0.00000	0.00000	0.00000	0.00000
18	SGS	0.00000	1.00000	0.00000	0.00000	0.00000
19	LGS	0.00000	0.00000	1.00000	0.00000	0.00000
20	LPS	0.00000	0.00000	0.00000	1.00000	0.00000
21	INTERRUPTIBLE	0.00000	0.00000	0.00000	0.00000	0.00000
22	STREET LIGHTING	0.00000	0.00000	0.00000	0.00000	1.00000
23						
24						
25						
26						
27						
28	REVENUES FROM SALES					
29	-----					
30	SALES OF ELECTRICITY REVENUES	0.50504	0.06636	0.30315	0.10634	0.00353
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						

BMGS Schedule H

UNS Electric, Inc.
Summary of Revenues by Customer Classifications
Adjusted Present Rates And Proposed Rates
Test Year Ended December 31, 2008
(Thousands of Dollars)

Line No.	Class of Service	Test Year Present Net Revenue	Adjusted Present Net Revenue	Proposed Net Revenue	Proposed Net Increase	Proposed Percent Increase to Test Year Revenues (a)	Proposed Percent Increase to Adjusted Test Year Revenues (a)	Line No.
1	Residential Service	\$85,575,371	\$74,148,720	\$80,978,766	\$6,830,046	7.98%	9.21%	1
2	Residential Cares	6,547,952	6,293,761	5,701,729	(\$592,032)	-9.04%	-9.41%	2
3	Small General Service	11,642,400	10,569,832	11,543,449	\$973,617	8.36%	9.21%	3
4	Large General Service	55,358,044	48,286,092	52,733,859	\$4,447,767	8.03%	9.21%	4
5	Large Power Service	19,626,605	16,938,518	18,498,772	\$1,560,254	7.95%	9.21%	5
6	Interruptible Service	2,271,247	2,481,084	2,709,624	\$228,540	10.06%	9.21%	6
7	Lighting DD	617,297	562,438	614,248	\$51,809	8.39%	9.21%	7
8	Subtotal	181,638,915	159,280,446	172,780,447	13,500,000	7.43%	8.48%	8
9	Other Operating Revenue	1,645,619	1,645,619	1,645,619	0	0.00%	0.00%	9
10	Total	\$183,284,534	\$160,926,065	\$174,426,065	\$13,500,000	7.37%	8.39%	10

Supporting Schedules (a) H-2 (P2) Recap Schedules A-1 Recap Schedules A-1

Black Mountain Generating Station

UNS Electric, Inc.
Comparisons of Revenues by Rate Schedules
Present And Proposed Rates
Test Year Ended December 31, 2008

Schedule H-2
Page 1 of 2

Line No.	Class of Service	Rate Schedule Present	Proposed	Actual			Test Year End Sales Adjustments	Adjusted			Line No.
				kWh Sales	Average Number of Customers	Average kWh per Customer		kWh Sales	Average Number of Customers	Average Sales per Customer	
1	Residential Service	RES-01	RES-01	757,895,043	71,505	10,599	(17,627,814)	740,267,229	70,602	10,485	1
2	Residential Cares	CARES	CARES	63,995,155	6,869	9,317	5,725,945	69,721,100	7,522	9,269	2
3	Small General Service	SGS-10	SGS-10	92,855,781	7,711	12,042	570,617	93,426,398	7,778	12,012	3
4	Large General Service	LGS	LGS	498,893,145	2,069	241,167	(19,755,862)	479,137,283	2,000	239,569	4
5	Large General Service TOU	LGS-TOU	LGS-TOU	3,045,144	11	287,730	(45,296)	2,999,848	10	299,985	5
6	Large Power Service <69KV	LPS	LPS	60,317,878	9	6,520,852	3,946,904	64,264,781	11	5,842,253	6
7	Large Power Service >69KV	LPS	LPS	158,685,112	8	19,835,639	0	158,685,112	8	19,835,639	7
8	Interruptible Power Service	IPS	IPS	24,484,630	25	989,278	7,021,780	31,506,409	34	926,659	8
9	Lighting	LTG	LTG	3,145,228	1,781	1,766	0	3,145,228	1,781	1,766	9
10	Total Electric Retail Service			<u>1,663,317,115</u>	<u>89,996</u>	<u>18,484</u>	<u>(20,163,726)</u>	<u>1,643,153,389</u>	<u>89,746</u>	<u>18,309</u>	10

UNS Electric, Inc.
Comparisons of Revenues by Rate Schedules
Present And Proposed Rates
Test Year Ended December 31, 2008

Line No.	Class of Service	Test Year Booked Revenue	Test Year Revenue Annualization Adjustment	Test Year End Adjustments ⁽¹⁾	Adjusted Net Revenue	Proposed TY Delivery Charge Revenue	Proposed Increase Delivery \$	%	Proposed TY Base Power Supply Revenue	Proposed TY Total Revenue Requirement	Line No.
1	Residential Service	\$85,575,371	\$3,770,258	(15196908.76)	\$74,148,720	\$18,648,666	\$11,424,301	61.26%	\$50,905,799	\$80,978,766	1
1	Residential Cares	6,547,952	\$385,783	(619973.60)	\$6,293,761	\$1,066,561	2,009,765	188.43%	2,625,403	\$5,701,729	1
2	Small General Service	11,642,400	\$510,373	(1582940.93)	\$10,569,832	3,776,052	1,528,589	40.48%	6,238,808	11,543,449	2
3	Large General Service	55,025,876	\$4,554,237	(11587759.91)	\$47,992,353	17,307,444	6,776,976	39.16%	28,330,807	52,415,226	3
4	Large General Service TOU	332,168	\$13,217	(51645.96)	\$293,739	101,622	39,633	39.00%	177,377	318,633	4
5	Large Power Service <69KV	6,110,689	\$446,472	(820508.75)	\$5,736,652	2,507,990	764,429	30.48%	3,017,796	6,290,215	5
6	Large Power Service >69KV	13,515,916	\$940,040	(3254090.51)	\$11,201,866	3,229,525	1,527,371	47.29%	7,451,660	12,208,557	6
7	Interruptible Power Service	2,271,247	\$132,056	77781.94	\$2,481,084	827,912	340,204	41.09%	1,541,507	2,709,624	7
8	Lighting	617,297	\$1,019	(55878.12)	\$562,438	511,110	49,510	9.69%	53,628	614,248	8
9	Total Electric Service	<u>\$181,638,915</u>	<u>\$10,733,455</u>	<u>-\$33,091,925</u>	<u>\$159,280,446</u>	<u>\$47,976,882</u>	<u>\$24,460,778</u>	<u>50.98%</u>	<u>\$100,342,766</u>	<u>\$172,780,447</u>	9

⁽¹⁾ Adjustments include Customer Annualization, Weather Normalization, Cares Discount and PPFAC Adjustment)

	Present Rate	Proposed Rate	Increase	
			\$	%
Residential Service				
Customer Charge	\$7.50	\$8.00	\$0.50	6.67%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.026115	\$0.014860	132.03%
Energy Charge, all additional kWhs	\$0.021269	\$0.036129	\$0.014860	69.87%
Base Power Supply Charge, all kWhs	\$0.077993	\$0.068767	-\$0.009226	-11.83%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%
Residential Service CARES				
Customer Charge	\$7.50	\$3.50	-\$4.00	-53.33%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.045259	\$0.034004	302.13%
Energy Charge, all additional kWhs	\$0.021269	\$0.055273	\$0.034004	159.88%
Base Power Supply Charge, all kWhs	\$0.077993	\$0.037656	-\$0.040337	-51.72%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%
Residential Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	\$0.092183	\$0.153093	\$0.060910	66.07%
Summer Shoulder	\$0.081803	\$0.068767	-\$0.013036	-15.94%
Summer off-peak	\$0.077183	\$0.048113	-\$0.029070	-37.66%
Winter on-peak	\$0.080873	\$0.153093	\$0.072220	89.30%
Winter off-peak	\$0.065873	\$0.035849	-\$0.030024	-45.58%
Small General Service				
Customer Charge	\$12.00	\$12.50	\$0.50	4.17%
Energy Charge 1st 400 kWhs	\$0.022449	\$0.038311	\$0.015862	70.66%
Energy Charge, all additional kWhs	\$0.032463	\$0.048325	\$0.015862	48.86%
Base Power Supply Charge, all kWhs	\$0.075738	\$0.066778	-\$0.008960	-11.83%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%
Small General Service Time of Use Rates, all kWhs				
(These rates would include all Delivery charges above and replace The Base Power Supply charge)				
Summer on-peak	\$0.090348	\$0.130888	\$0.040540	44.87%
Summer Shoulder	\$0.079658	\$0.066778	-\$0.012880	-16.17%
Summer off-peak	\$0.075348	\$0.040888	-\$0.034460	-45.73%
Winter on-peak	\$0.079448	\$0.130888	\$0.051440	64.75%
Winter off-peak	\$0.064448	\$0.032668	-\$0.031780	-49.31%

Large General Service

Customer Charge	\$15.50	\$16.00	\$0.50	3.23%
Demand Charge, per kW	\$10.71	\$15.05	\$4.344871	40.57%
Energy Charge (kWhs)	\$0.003254	\$0.004354	\$0.001100	33.80%
Base Power Supply Charge, all kWhs	\$0.067062	\$0.059129	-\$0.007933	-11.83%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%

Large General Service TOU

Customer Charge	\$20.40	\$20.90	\$0.50	2.45%
Demand Charge, per kW	\$10.71	\$15.05	\$4.344871	40.57%
Energy Charge (kWhs)	\$0.003254	\$0.004354	\$0.001100	33.80%
Base Power Supply Charge, all kWhs	\$0.067062	\$0.059129	-\$0.007933	-11.83%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%

Large General Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

Summer on-peak	\$0.082832	\$0.116024	\$0.033192	40.07%
Summer Shoulder	\$0.071452	\$0.059129	-\$0.012323	-17.25%
Summer off-peak	\$0.067832	\$0.041024	-\$0.026808	-39.52%
Winter on-peak	\$0.071072	\$0.116024	\$0.044952	63.25%
Winter off-peak	\$0.056072	\$0.027306	-\$0.028766	-51.30%

Large Power Service (<69KV)

Customer Charge	\$365.00	\$372.00	\$7.00	1.92%
Demand Charge, per kW	\$17.90	\$23.45	\$5.554460	31.04%
Energy Charge (kWhs)	\$0.000000	\$0.000000	\$0.000000	0.00%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.046959	-\$0.006301	-11.83%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	-100.00%

Large Power Service (>69KV)

Customer Charge	\$400.00	\$407.00	\$7.00	1.75%
Demand Charge, per kW	\$11.61	\$17.16	\$5.554460	0.00%
Energy Charge (kWhs)	\$0.000000	\$0.000000	\$0.000000	0.00%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.046959	-\$0.006301	-11.83%
PPFAC	\$0.014746	\$0.000000	-\$0.014746	100.00%

Large Power Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

Summer on-peak	\$0.070170	\$0.094919	\$0.024749	35.27%
Summer Shoulder	\$0.058180	\$0.046959	-\$0.011221	-19.29%
Summer off-peak	\$0.055170	\$0.034919	-\$0.020251	-36.71%
Winter on-peak	\$0.058170	\$0.094919	\$0.036749	63.17%
Winter off-peak	\$0.043170	\$0.022905	-\$0.020265	-46.94%

Interruptible Power Service

Customer Charge	\$15.50	\$16.00	\$0.50	3.23%
Demand Charge, per kW	\$3.40	\$5.24	\$1.84	54.02%
Energy Charge (kWhs)	\$0.014800	\$0.019500	\$0.00	31.76%
Base Power Supply Charge, all kWhs	\$0.055491	\$0.048927	-\$0.01	-11.83%
PPFAC	\$0.014746	\$0.000000	-\$0.01	-100.00%

Interruptible Power Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

Summer on-peak	\$0.071861	\$0.097611	\$0.025750	35.83%
Summer Shoulder	\$0.059691	\$0.048927	-\$0.010764	-18.03%
Summer off-peak	\$0.056861	\$0.037611	-\$0.019250	-33.85%
Winter on-peak	\$0.059411	\$0.097611	\$0.038200	64.30%
Winter off-peak	\$0.044411	\$0.022479	-\$0.021932	-49.38%

Lighting Dusk to Dawn

New 30' Wood Pole (Class 6) - Overhead	\$4.12	\$4.535	\$0.41	10.00%
New 30' Metal or Fiberglass - Overhead	\$8.26	\$9.083	\$0.83	10.00%
Existing Wood Pole - Underground	\$2.06	\$2.268	\$0.21	10.00%
New 30' Wood Pole (Class 6) - Underground	\$6.20	\$6.815	\$0.62	10.00%
New 30' Metal or Fiberglass - Underground	\$10.32	\$11.350	\$1.03	10.00%
Wattage, per Watt	\$0.046577	\$0.051029	\$0.004452	9.56%
Lighting Base Power Supply Charge, per Watt	\$0.007818	\$0.006893	\$0.00	100.00%

UNS Electric, Inc.
 Typical Bill Comparison
Present and Proposed Rates
 Test Year Ended December 31, 2008

Residential Service	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$7.50	\$8.00		
Energy Charge 1st 400 kWhs	\$0.011255	\$0.026115		
Energy Charge, all additional kWhs	\$0.021269	\$0.036129		
Base Power Supply Charge, all kWhs	\$0.077993	\$0.068767		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$7.50	\$8.00	\$0.50	6.67%
50	\$12.70	\$12.74	\$0.04	0.35%
100	\$17.90	\$17.49	(\$0.41)	-2.30%
200	\$28.30	\$26.98	(\$1.32)	-4.67%
400	\$49.10	\$45.95	(\$3.14)	-6.41%
600	\$71.90	\$66.93	(\$4.97)	-6.91%
800	\$94.70	\$87.91	(\$6.79)	-7.17%
1,000	\$117.50	\$108.89	(\$8.61)	-7.33%
2,000	\$231.51	\$213.79	(\$17.72)	-7.66%
2,500	\$288.51	\$266.23	(\$22.28)	-7.72%
5,000	\$573.53	\$528.48	(\$45.06)	-7.86%
10,000	\$1,143.57	\$1,052.96	(\$90.62)	-7.92%

Residential Service CARES	<u>Present</u>	<u>Proposed</u>	Discounts:	
Customer Charge	\$7.50	\$3.50	0-300 kWh	30.0%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.045259	301-600 kWh	20.0%
Energy Charge, all additional kWhs	\$0.021269	\$0.055273	601-1000 kWh	10.0%
Base Power Supply Charge, all kWhs	\$0.077993	\$0.037656	1001+ kWh	\$8.00
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$5.25	\$2.45	(\$2.80)	-53.33%
50	\$8.89	\$5.35	(\$3.54)	-39.80%
100	\$12.53	\$8.25	(\$4.28)	-34.12%
200	\$19.81	\$14.06	(\$5.75)	-29.03%
400	\$39.28	\$29.33	(\$9.95)	-25.32%
600	\$57.52	\$44.20	(\$13.32)	-23.15%
800	\$85.23	\$66.45	(\$18.78)	-22.03%
1,000	\$105.75	\$83.18	(\$22.57)	-21.34%
2,000	\$223.51	\$177.35	(\$46.16)	-20.65%
2,500	\$280.51	\$223.82	(\$56.70)	-20.21%
5,000	\$565.53	\$456.14	(\$109.39)	-19.34%
10,000	\$1,135.57	\$920.79	(\$214.79)	-18.91%

Residential Service Time-of-Use Summer	<u>Present</u>	<u>Proposed</u>	Assume:	
Customer Charge	\$7.50	\$8.00	On Peak Usage:	16.6%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.026115	Shoulder-Peak Usage:	15.4%
Energy Charge, all additional kWhs	\$0.021269	\$0.036129	Off-Peak Usage:	67.9%
Base Power Supply Charge				
On-Peak, all kWhs	\$0.092183	\$0.153093		
Shoulder-Peak, all kWhs	\$0.081803	\$0.068767		
Off-Peak, all kWhs	\$0.077183	\$0.048113		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$7.50	\$8.00	\$0.50	6.67%
50	\$12.82	\$12.74	(\$0.08)	-0.59%
100	\$18.14	\$17.49	(\$0.65)	-3.59%
200	\$28.78	\$26.98	(\$1.80)	-6.26%
400	\$50.06	\$45.95	(\$4.10)	-8.20%
600	\$73.34	\$66.93	(\$6.41)	-8.73%
800	\$96.62	\$87.91	(\$8.71)	-9.01%
1,000	\$119.90	\$108.89	(\$11.01)	-9.18%
2,000	\$236.31	\$213.79	(\$22.52)	-9.53%
2,500	\$294.51	\$266.24	(\$28.27)	-9.60%
5,000	\$585.53	\$528.48	(\$57.05)	-9.74%
10,000	\$1,167.56	\$1,052.96	(\$114.60)	-9.82%

Residential Service Time-of-Use Winter	<u>Present</u>	<u>Proposed</u>	Assume:	
Customer Charge	\$7.50	\$8.00	On Peak Usage:	28.1%
Energy Charge 1st 400 kWhs	\$0.011255	\$0.026115		
Energy Charge, all additional kWhs	\$0.021269	\$0.036129	Off-Peak Usage:	71.9%
Base Power Supply Charge				
On-Peak, all kWhs	\$0.080873	\$0.153093		
Shoulder-Peak, all kWhs				
Off-Peak, all kWhs	\$0.065873	\$0.035849		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
0	\$7.50	\$8.00	\$0.50	6.67%
50	\$12.30	\$12.74	\$0.44	3.57%
100	\$17.11	\$17.49	\$0.38	2.22%
200	\$26.72	\$26.98	\$0.26	0.97%
400	\$45.93	\$45.95	\$0.02	0.04%
600	\$67.15	\$66.93	(\$0.22)	-0.33%
800	\$88.37	\$87.91	(\$0.46)	-0.53%
1,000	\$109.59	\$108.89	(\$0.71)	-0.64%
2,000	\$215.69	\$213.78	(\$1.91)	-0.89%
2,500	\$268.74	\$266.23	(\$2.52)	-0.94%
5,000	\$533.99	\$528.46	(\$5.53)	-1.04%
10,000	\$1,064.48	\$1,052.92	(\$11.56)	-1.09%

	<u>Present</u>	<u>Proposed</u>
Small General Service		
Customer Charge	\$12.00	\$12.50
Energy Charge 1st 400 kWhs	\$0.022449	\$0.038311
Energy Charge, all additional kWhs	\$0.032463	\$0.048325
Base Power Supply Charge, all kWhs	\$0.075738	\$0.066778
PPFAC	\$0.014746	\$0.000000

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
50	\$17.65	\$17.75	\$0.11	0.61%
100	\$23.29	\$23.01	(\$0.28)	-1.22%
250	\$40.23	\$38.77	(\$1.46)	-3.63%
500	\$69.47	\$66.05	(\$3.42)	-4.93%
1,000	\$130.94	\$123.60	(\$7.34)	-5.61%
2,000	\$253.89	\$238.70	(\$15.19)	-5.98%
3,500	\$438.31	\$411.35	(\$26.96)	-6.15%
5,000	\$622.73	\$584.01	(\$38.72)	-6.22%
10,000	\$1,237.46	\$1,159.52	(\$77.94)	-6.30%
30,000	\$3,696.40	\$3,461.58	(\$234.83)	-6.35%
50,000	\$6,155.34	\$5,763.63	(\$391.72)	-6.36%

	<u>Present</u>	<u>Proposed</u>		
Large General Service Delivery Charges				
Customer Charge	\$15.50	\$16.00		
Demand Charge, per kW	\$10.71	\$15.05	Assumes	
Energy Charge (kWhs)	\$0.003254	\$0.004354	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	\$0.067062	\$0.059129		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
5,000	\$574.18	\$520.90	(\$53.29)	-9.28%
10,000	\$1,132.87	\$1,025.79	(\$107.08)	-9.45%
25,000	\$2,808.92	\$2,540.48	(\$268.44)	-9.56%
50,000	\$5,602.35	\$5,064.97	(\$537.38)	-9.59%
100,000	\$11,189.20	\$10,113.94	(\$1,075.26)	-9.61%
200,000	\$22,362.89	\$20,211.87	(\$2,151.02)	-9.62%
300,000	\$33,536.59	\$30,309.81	(\$3,226.78)	-9.62%
400,000	\$44,710.29	\$40,407.74	(\$4,302.55)	-9.62%
500,000	\$55,883.98	\$50,505.68	(\$5,378.31)	-9.62%
600,000	\$67,057.68	\$60,603.61	(\$6,454.07)	-9.62%

Large General Service TOU	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$20.40	\$20.90		
Demand Charge, per kW	\$10.71	\$15.05	Assumes	
Energy Charge (kWhs)	\$0.003254	\$0.004354	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	\$0.067062	\$0.059129		
PPFAC	\$0.014746	\$0.000000		
	<u>Total Bill</u>	<u>Total Bill</u>	<u>Proposed</u>	<u>Proposed</u>
<u>Average Sales per Month</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>Increase</u>
			<u>\$</u>	<u>%</u>
5,000	\$572.42	\$516.42	(\$55.99)	-9.78%
10,000	\$1,124.43	\$1,011.95	(\$112.49)	-10.00%
25,000	\$2,780.48	\$2,498.51	(\$281.97)	-10.14%
50,000	\$5,540.56	\$4,976.13	(\$564.43)	-10.19%
100,000	\$11,060.72	\$9,931.35	(\$1,129.37)	-10.21%
200,000	\$22,101.04	\$19,841.80	(\$2,259.24)	-10.22%
300,000	\$33,141.37	\$29,752.26	(\$3,389.11)	-10.23%
400,000	\$44,181.69	\$39,662.71	(\$4,518.98)	-10.23%
500,000	\$55,222.01	\$49,573.16	(\$5,648.85)	-10.23%
600,000	\$66,262.33	\$59,483.61	(\$6,778.72)	-10.23%

Assumes maximum peak period demand is 5% lower than maximum demand in non-peak period.

Large Power Service (<69KV)	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$365.00	\$372.00		
Demand Charge, per kW	\$17.90	\$23.45	Assumes	
Energy Charge (kWhs)	\$0.000000	\$0.000000	Load Factor =	65.0%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.046959		
PPFAC	\$0.014746	\$0.000000		
	<u>Total Bill</u>	<u>Total Bill</u>	<u>Proposed</u>	<u>Proposed</u>
<u>Average Sales per Month</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>Increase</u>
			<u>\$</u>	<u>%</u>
300,000	\$32,081	\$29,285	(\$2,795)	-8.71%
450,000	\$47,939	\$43,742	(\$4,197)	-8.75%
650,000	\$69,083	\$63,018	(\$6,065)	-8.78%
850,000	\$90,226	\$82,293	(\$7,933)	-8.79%
950,000	\$100,798	\$91,931	(\$8,867)	-8.80%
1,500,000	\$158,944	\$144,939	(\$14,005)	-8.81%
1,750,000	\$185,374	\$169,034	(\$16,340)	-8.81%
2,000,000	\$211,804	\$193,128	(\$18,676)	-8.82%
2,500,000	\$264,663	\$241,317	(\$23,346)	-8.82%

Large Power Service (>69KV) Delivery Charges	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$400.00	\$407.00		
Demand Charge, per kW	\$11.61	\$17.16	Assumes	
Energy Charge (kWhs)	\$0.000000	\$0.000000	Load Factor =	70.0%
Base Power Supply Charge, all kWhs	\$0.053260	\$0.046959		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
300,000	\$27,617.85	\$24,571.62	(\$3,046)	-11.03%
450,000	\$41,226.77	\$36,653.93	(\$4,573)	-11.09%
650,000	\$59,372.00	\$52,763.67	(\$6,608)	-11.13%
850,000	\$77,517.23	\$68,873.42	(\$8,644)	-11.15%
950,000	\$86,589.85	\$76,928.29	(\$9,662)	-11.16%
1,500,000	\$136,489.23	\$121,230.09	(\$15,259)	-11.18%
1,750,000	\$159,170.77	\$141,367.28	(\$17,803)	-11.19%
2,000,000	\$181,852.31	\$161,504.46	(\$20,348)	-11.19%
2,500,000	\$227,215.39	\$201,778.82	(\$25,437)	-11.19%

Interruptible Power Service Delivery Charges	<u>Present</u>	<u>Proposed</u>		
Customer Charge	\$15.50	\$16.00		
Demand Charge, per kW	\$3.40	\$5.24	50 Assumes	
Energy Charge (kWhs)	\$0.014800	\$0.019500	Load Factor =	55.0%
Base Power Supply Charge, all kWhs	\$0.055491	\$0.048927		
PPFAC	\$0.014746	\$0.000000		

Average Sales per Month	Total Bill Present Rate	Total Bill Proposed Rate	Proposed Increase \$	Proposed Increase %
10,001	\$950.65	\$830.78	(\$119.87)	-12.61%
15,000	\$1,418.08	\$1,238.04	(\$180.04)	-12.70%
20,000	\$1,885.60	\$1,645.39	(\$240.22)	-12.74%
30,000	\$2,820.66	\$2,460.08	(\$360.58)	-12.78%
50,000	\$4,690.76	\$4,089.47	(\$601.29)	-12.82%
75,000	\$7,028.39	\$6,126.20	(\$902.19)	-12.84%
100,000	\$9,366.02	\$8,162.94	(\$1,203.09)	-12.85%
125,000	\$11,703.66	\$10,199.67	(\$1,503.99)	-12.85%
150,000	\$14,041.29	\$12,236.40	(\$1,804.88)	-12.85%

	Present	Proposed	Proposed Increase \$	Proposed Increase %
Lighting Dusk to Dawn Delivery Charges				
New 30' Wood Pole (Class 6)	\$4.12	\$4.54	\$0.41	10.00%
New 30' Metal or Fiberglass	\$8.26	\$9.08	\$0.83	10.00%
Underground Service				
Existing Wood Pole	\$2.06	\$2.27	\$0.21	10.00%
New 30' Wood Pole (Class 6)	\$6.20	\$6.81	\$0.62	10.00%
New 30' Metal or Fiberglass	\$10.32	\$11.35	\$1.03	10.00%
Per Watt	\$0.046577	\$0.051029	\$0.0045	9.56%
Lighting Base Power Supply Charge, per Watt	\$0.007818	\$0.00689		
PPFAC	\$0.014746	\$0.000000		
100 Watts - Overhead				
Existing Wood Pole	\$4.67	\$5.79	\$1.13	24.15%
New 30' Wood Pole (Class 6)	\$8.79	\$10.33	\$1.54	17.51%
New 30' Metal or Fiberglass	\$12.92	\$14.87	\$1.95	15.11%
100 Watts - Underground				
Existing Wood Pole	\$6.73	\$8.06	\$1.33	19.81%
New 30' Wood Pole (Class 6)	\$10.86	\$12.61	\$1.75	16.08%
New 30' Metal or Fiberglass	\$14.98	\$17.14	\$2.16	14.41%
200 Watts - Overhead				
Existing Wood Pole	\$9.32	\$11.58	\$2.27	24.36%
New 30' Wood Pole (Class 6)	\$13.44	\$16.12	\$2.68	19.95%
New 30' Metal or Fiberglass	\$17.57	\$20.67	\$3.09	17.61%
200 Watts - Underground				
Existing Wood Pole	\$12.94	\$13.85	\$0.91	7.04%
New 30' Wood Pole (Class 6)	\$17.07	\$18.40	\$1.32	7.76%
New 30' Metal or Fiberglass	\$19.63	\$22.93	\$3.30	16.81%
400 Watts - Overhead				
Existing Wood Pole	\$21.76	\$23.17	\$1.41	6.48%
New 30' Wood Pole (Class 6)	\$25.88	\$27.70	\$1.82	7.04%
New 30' Metal or Fiberglass	\$30.02	\$32.25	\$2.24	7.45%
400 Watts - Underground				
Existing Wood Pole	\$23.82	\$25.44	\$1.62	6.79%
New 30' Wood Pole (Class 6)	\$27.95	\$29.98	\$2.03	7.26%
New 30' Metal or Fiberglass	\$32.08	\$34.52	\$2.44	7.61%

RESIDENTIAL SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	4	23,272	7,875	23,272	2.75%	7,875	0.00%
5	9	2,839	19,603	26,111	3.08%	27,477	0.00%
10	14	4,707	54,364	30,819	3.64%	81,841	0.01%
15	19	2,820	48,148	33,639	3.97%	129,989	0.02%
20	24	3,842	82,194	37,480	4.42%	212,183	0.03%
25	29	2,091	57,044	39,571	4.67%	269,227	0.04%
30	34	3,402	106,961	42,972	5.07%	376,187	0.05%
35	39	1,901	70,954	44,873	5.30%	447,142	0.06%
40	44	3,370	139,715	48,244	5.69%	586,857	0.08%
45	49	1,866	88,539	50,110	5.91%	675,396	0.09%
50	54	3,328	171,578	53,438	6.31%	846,974	0.11%
55	99	22,937	1,770,923	76,375	9.01%	2,617,896	0.35%
100	149	27,371	3,402,317	103,746	12.25%	6,020,213	0.81%
150	199	27,750	4,847,682	131,496	15.52%	10,867,896	1.47%
200	249	29,020	6,533,102	160,515	18.95%	17,400,998	2.35%
250	299	29,812	8,214,483	190,328	22.46%	25,615,481	3.46%
300	349	30,980	10,091,281	221,308	26.12%	35,706,762	4.82%
350	399	31,254	11,764,136	252,562	29.81%	47,470,898	6.41%
400	449	31,856	13,592,071	284,417	33.57%	61,062,969	8.25%
450	499	31,678	15,111,742	316,095	37.31%	76,174,711	10.29%
500	549	31,234	16,468,704	347,329	41.00%	92,643,416	12.51%
550	599	30,035	17,356,789	377,364	44.54%	110,000,205	14.86%
600	649	29,183	18,331,128	406,547	47.99%	128,331,333	17.34%
650	699	27,534	18,685,624	434,081	51.24%	147,016,957	19.86%
700	749	26,191	19,088,478	460,273	54.33%	166,105,436	22.44%
750	799	24,847	19,368,319	485,120	57.26%	185,473,755	25.05%
800	849	23,463	19,468,073	508,583	60.03%	204,941,828	27.68%
850	899	22,008	19,376,275	530,591	62.63%	224,318,103	30.30%
900	949	20,538	19,116,807	551,129	65.05%	243,434,910	32.88%
950	999	19,466	19,099,037	570,595	67.35%	262,533,947	35.46%
1,000	1,199	65,831	72,655,332	636,426	75.12%	335,189,279	45.28%
1,200	1,399	51,339	66,991,356	687,766	81.18%	402,180,636	54.33%
1,400	1,599	39,421	59,396,603	727,187	85.83%	461,577,239	62.35%
1,600	1,799	29,879	51,030,077	757,066	89.36%	512,607,316	69.25%
1,800	1,999	22,573	43,108,338	779,639	92.02%	555,715,654	75.07%
2,000	2,999	51,726	124,361,908	831,365	98.13%	680,077,561	91.87%
3,000	3,999	11,881	40,416,199	843,246	99.53%	720,493,760	97.33%
4,000	4,999	2,747	12,150,015	845,992	99.85%	732,643,775	98.97%
5,000	5,999	772	4,205,357	846,764	99.95%	736,849,132	99.54%
6,000	9,999	440	3,087,215	847,203	100.00%	739,936,347	99.96%
≥ 10,000		26	330,882	847,229	100.00%	740,267,229	100.00%

Average Customers 70,602
Average kWhs 874
Median kWhs 685

RESIDENTIAL SERVICE CARES

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	4	523	170	523	0.58%	170	0.00%
5	9	64	444	586	0.65%	615	0.00%
10	14	108	1,159	694	0.77%	1,774	0.00%
15	19	64	1,064	758	0.84%	2,838	0.00%
20	24	99	2,090	857	0.95%	4,928	0.01%
25	29	55	1,453	912	1.01%	6,382	0.01%
30	34	116	3,499	1,028	1.14%	9,881	0.01%
35	39	67	2,436	1,095	1.21%	12,317	0.02%
40	44	147	5,882	1,242	1.38%	18,199	0.03%
45	49	78	3,583	1,319	1.46%	21,782	0.03%
50	54	143	7,150	1,462	1.62%	28,932	0.04%
55	59	73	4,114	1,535	1.70%	33,046	0.05%
60	64	163	9,771	1,698	1.88%	42,817	0.06%
65	69	92	6,043	1,790	1.98%	48,860	0.07%
70	74	162	11,285	1,952	2.16%	60,145	0.09%
75	79	100	7,576	2,053	2.27%	67,721	0.10%
80	84	191	15,169	2,244	2.49%	82,891	0.12%
85	89	94	8,022	2,338	2.59%	90,912	0.13%
90	94	211	18,789	2,548	2.82%	109,701	0.16%
95	99	126	12,022	2,675	2.96%	121,724	0.17%
100	149	2,315	283,094	4,990	5.53%	404,817	0.58%
150	199	3,257	556,337	8,246	9.14%	961,154	1.38%
200	249	3,885	850,613	12,131	13.44%	1,811,767	2.60%
250	299	4,411	1,181,304	16,542	18.33%	2,993,071	4.29%
300	349	4,820	1,524,276	21,362	23.67%	4,517,347	6.48%
350	399	4,794	1,751,657	26,156	28.98%	6,269,003	8.99%
400	449	4,741	1,963,181	30,898	34.23%	8,232,184	11.81%
450	499	4,278	1,982,255	35,176	38.97%	10,214,439	14.65%
500	549	4,360	2,232,640	39,536	43.80%	12,447,079	17.85%
550	599	4,070	2,282,951	43,605	48.31%	14,730,029	21.13%
600	699	7,212	4,567,093	50,817	56.30%	19,297,122	27.68%
700	799	6,124	4,475,333	56,942	63.08%	23,772,455	34.10%
800	899	5,136	4,258,373	62,078	68.77%	28,030,828	40.20%
900	999	4,260	3,948,300	66,338	73.49%	31,979,128	45.87%
1,000	1,999	19,203	25,724,488	85,540	94.77%	57,703,616	82.76%
2,000	2,999	3,872	8,987,384	89,413	99.05%	66,691,000	95.65%
3,000	3,999	691	2,273,600	90,104	99.82%	68,964,600	98.91%
4,000	4,999	120	511,894	90,223	99.95%	69,476,494	99.65%
5,000	5,999	30	160,017	90,254	99.99%	69,636,511	99.88%
≥ 6,000		12	84,588	90,266	100.00%	69,721,100	100.00%

Average Customers 7,522
Average kWhs 772
Median kWhs 605

SMALL GENERAL SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	19	8,209	29,969	8,209	8.8%	29,969	0.03%
20	39	2,439	70,452	10,647	11.4%	100,421	0.11%
40	59	2,135	103,999	12,783	13.7%	204,420	0.22%
60	79	1,652	114,747	14,435	15.5%	319,167	0.34%
80	99	1,613	143,564	16,048	17.2%	462,731	0.50%
100	199	7,260	1,082,109	23,308	25.0%	1,544,840	1.65%
200	299	7,173	1,795,240	30,481	32.7%	3,340,080	3.58%
300	399	6,448	2,251,457	36,929	39.6%	5,591,537	5.98%
400	499	5,423	2,440,028	42,353	45.4%	8,031,564	8.60%
500	599	4,634	2,553,356	46,986	50.3%	10,584,920	11.33%
600	699	4,198	2,728,457	51,184	54.8%	13,313,378	14.25%
700	799	3,616	2,714,699	54,799	58.7%	16,028,077	17.16%
800	899	3,189	2,715,174	57,988	62.1%	18,743,251	20.06%
900	999	2,892	2,756,281	60,881	65.2%	21,499,533	23.01%
1,000	1,199	5,224	5,750,988	66,105	70.8%	27,250,521	29.17%
1,200	1,399	4,386	5,710,379	70,491	75.5%	32,960,900	35.28%
1,400	1,599	3,525	5,297,622	74,015	79.3%	38,258,521	40.95%
1,600	1,999	5,339	9,586,114	79,354	85.0%	47,844,636	51.21%
2,000	2,999	7,887	19,315,557	87,241	93.5%	67,160,192	71.89%
3,000	3,999	3,717	12,861,438	90,958	97.5%	80,021,630	85.65%
4,000	4,999	1,493	6,635,207	92,451	99.1%	86,656,837	92.75%
5,000	9,999	787	4,740,977	93,238	99.9%	91,397,815	97.83%
10,000	19,999	56	730,998	93,294	100.0%	92,128,813	98.61%
≥20,000		42	1,297,585	93,336	100.0%	93,426,398	100.00%

Average Customers	7,778
Average kWhs	1,001
Median kWhs	594

LARGE GENERAL SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	499	836	108,605	836	3.5%	108,605	0.02%
500	999	378	284,347	1,214	5.0%	392,953	0.08%
1,000	1,999	830	1,255,909	2,044	8.5%	1,648,861	0.34%
2,000	2,999	1,322	3,352,817	3,366	14.0%	5,001,678	1.04%
3,000	3,999	1,878	6,605,048	5,244	21.7%	11,606,726	2.41%
4,000	4,999	2,032	9,187,940	7,276	30.2%	20,794,666	4.31%
5,000	5,999	1,813	9,964,435	9,089	37.7%	30,759,100	6.38%
6,000	6,999	1,587	10,306,959	10,676	44.3%	41,066,060	8.52%
7,000	7,999	1,268	9,479,879	11,944	49.5%	50,545,939	10.48%
8,000	8,999	1,107	9,409,222	13,051	54.1%	59,955,160	12.44%
9,000	9,999	933	8,868,990	13,983	58.0%	68,824,150	14.27%
10,000	14,999	2,781	33,991,849	16,764	69.5%	102,815,999	21.33%
15,000	19,999	1,670	28,961,503	18,434	76.4%	131,777,502	27.33%
20,000	29,999	1,936	47,351,843	20,370	84.5%	179,129,345	37.15%
30,000	39,999	1,153	40,062,947	21,523	89.2%	219,192,292	45.46%
40,000	49,999	616	27,465,335	22,139	91.8%	246,657,627	51.16%
50,000	99,999	1,129	77,566,390	23,268	96.5%	324,224,017	67.25%
100,000	199,999	569	81,580,305	23,837	98.8%	405,804,322	84.17%
200,000	299,999	210	49,407,724	24,047	99.7%	455,212,046	94.42%
300,000	399,999	55	18,651,903	24,101	99.9%	473,863,949	98.28%
≥ 400,000		19	8,273,182	24,120	100.0%	482,137,131	100.00%

Average Customers 2,010
 Average kWhs 19,989
 Median kWhs 8,107

LARGE POWER SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	499,999	98	18,816,017	98	42.9%	18,816,017	8.44%
500,000	999,999	56	34,864,431	154	67.3%	53,680,448	24.08%
1,000,000	1,499,999	17	21,349,054	171	75.0%	75,029,503	33.65%
1,500,000	1,999,999	13	21,668,117	184	80.6%	96,697,620	43.37%
2,000,000	2,499,999	19	38,694,776	202	88.8%	135,392,396	60.73%
2,500,000	2,999,999	5	12,359,608	207	90.8%	147,752,004	66.27%
3,000,000	3,499,999	7	21,428,971	214	93.9%	169,180,975	75.88%
3,500,000	3,999,999	2	7,982,889	216	94.9%	177,163,864	79.46%
4,000,000	4,499,999	12	45,786,029	228	100.0%	222,949,894	100.00%

Average Customers 19
 Average kWhs 977,850
 Median kWhs 520,233

INTERRUPTIBLE POWER SERVICE

Usage Range - kWhs		Number of Bills	kWhs	Cumulative Bills		Cumulative kWhs	
Lower	Upper			Bills	Percent of Total	kWhs	Percent of Total
0	99	31	546	31	7.6%	546	0.00%
100	999	30	11,240	61	14.9%	11,786	0.04%
1,000	4,999	30	61,792	90	22.1%	73,578	0.23%
5,000	9,999	32	213,698	123	30.1%	287,275	0.91%
10,000	19,999	48	669,388	171	41.9%	956,664	3.04%
20,000	29,999	30	665,736	200	49.1%	1,622,400	5.15%
30,000	49,999	38	1,418,001	239	58.5%	3,040,401	9.65%
50,000	99,999	54	3,445,493	292	71.6%	6,485,895	20.59%
100,000	199,999	51	6,718,257	343	84.1%	13,204,151	41.91%
200,000	299,999	32	7,691,723	376	92.0%	20,895,874	66.32%
300,000	399,999	25	7,655,663	401	98.3%	28,551,537	90.62%
≥ 400,000		7	2,954,873	408	100.0%	31,506,409	100.00%

Average Customers	34
Average kWhs	77,222
Median kWhs	29,053

LIGHTING DUSK TO DAWN

		Overhead Services
Existing Wood Pole		39,277
New 30' Wood Pole (Class 6)		8,579
New 30' Metal or Fiberglass		2,821
		Underground Services
Existing Wood Pole		1,145
New 30' Wood Pole (Class 6)		810
New 30' Metal or Fiberglass		8,013

TOTAL UNITS	60,645
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